

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

February 12, 2025 @ 6:00 P.M.

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

THIS MEETING WILL BE PHYSICALLY OPEN TO THE PUBLIC.

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office, 730 L St, Rio Linda, CA.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should address the Executive Committee Chair. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then 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.

Call to Order

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion:

1. Contract District Engineer's Update.
2. Continue Discussion on Executive Committee Standard Operating Procedure (scope and purpose).
3. Discuss the Draft Guide on Reviewing Financial Reports.
4. Continue Discussion on the "38000 – Unrestricted" line item in the Financial Reports.
5. Review and Discuss Existing District Loans to Explore Opportunities to Save on Interest Payments.
6. Update on the Engagement of Best, Best and Krieger (BBK) for Provision of Legal Services.
7. Discuss Mitigations for Anticipated Absence of General Manager (health related).
8. Discuss Expenditures for December 2024.
9. Discuss Financial Reports for December 2024.

Directors' and General Manager Comments:

X – Review of past analysis results for Hexavalent Chromium and Preliminary Results of PFOAs

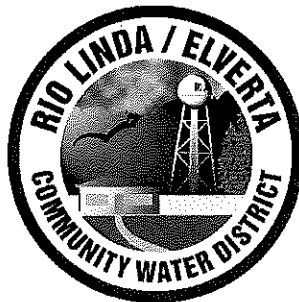
Items Requested for Next Month's Committee Agenda:

Adjournment

Next Executive Committee meeting: 6:00 P.M. Wednesday, March 12, 2025 Visitors / Depot, 6730 Front St. Rio Linda, CA

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at 916-991-1000. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.



Executive Committee Agenda Item: 1

Date: February 12, 2025

Subject: General Status Update from the District Engineer

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

Recommended Committee Action:

Receive a status report on specific focus items currently being addressed by the District Engineer.

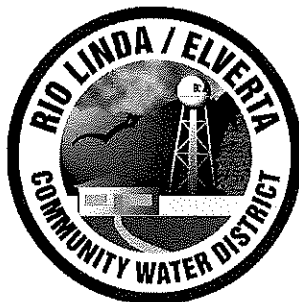
Current Background and Justification:

Subjects anticipated for discussion include:

1. 2025/2026 FY Pipeline Replacement Project
2. Water Loss Standards and Water Use Efficiency – CII Classification due 7/1/2025
3. Well 15 Hexavalent Chromium Treatment Project
4. Lead Pipe Inventory – Private Property Side
5. Development Review: Archway Avenue (West of Rio Linda Boulevard)
6. Grant Research for Future District Infrastructure Projects

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the February 24, 2025 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 2

Date: February 12, 2025

Subject: Development of Executive Committee Standards

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should continue its discussion on the proposed standards for the Executive Committee. If the document reaches a level of refinement, then forward the document onto the February 24th Board Agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The Executive Committee began discussing a proposed Standard Operating Procedure (SOP) at its January 8th meeting. The concept of establishing standards, scopes and expectations for the Executive Committee is worthy of pursuing. However, some of the elements included in the preliminary drafts may have been inconsistent with the restrictions associated with a standing committee and incompatible with the California Doctrine for Non-delegation of authority.

The draft proposed document has been revised and is associated with this item.

Conclusion:

If the Executive Committee reaches a level of comfort with the document, the Executive Committee should forward the document onto an upcoming Board agenda.

Standard Operating Procedure (SOP) and Scope of Work (SOW) for the Executive Committee

Purpose

The Executive Committee (EC) oversees critical aspects of District governance to ensure operational efficiency, fiscal responsibility, and compliance with legal requirements while enhancing transparency and accountability.

Composition

- Members: Two Board members (current structure maintained).
- Support: General Manager, Contract District Engineer, and District staff as necessary.
- A maximum of two Board Members may participate in Executive Committee meetings.

Responsibilities

1. Administrative Oversight

- All Board Members are provided a copy of the *RLECWD Financial Resource Guide*. Executive Committee members are encouraged to utilize the Guide when reviewing documents affecting the financial position of the District.
- Make recommendations for Board actions.
- Review engineering updates, policy revisions, supporting documents, and District priorities.
- Advise the Board of Directors on administrative and operational matters.
- Ensure appropriate escalation and resolution of public comments or disputes presented to the General Manager or during District meetings.
 - Note: The EC does not act as the primary contact for public comments or disputes but reviews and recommends actions for escalated matters.

2. Financial Oversight

- With the benefit of the RLECWD Financial Resource Guide, Monitor District financial performance, including budgets, expenditures, financial reports, and audits.
- Make recommendations for large expenditures or budget adjustments for Board approval.
- Ensure compliance with financial reporting and transparency requirements.

3. Policy Development

- Propose, review, and recommend policies for Board adoption.
- Oversee updates to policies.
- Ensure compliance with public agency laws, including the California Constitution, Ralph M. Brown Act and Meyers-Milias-Brown Act (MMBA), California Government Code and California Water Code.

5. Transparency and Compliance

- Ensure all meetings comply with the Brown Act's open meeting requirements.
- Maintain clear documentation of all decisions, discussions, and recommendations.
- Require that draft meeting minutes are sent to EC members for review at least 72 hours prior to public posting. EC members must provide feedback or corrections within a specified timeframe (e.g., 24 hours).

6. Operational Priorities

- Address issues such as water loss audits, water use objectives, and engineering project updates.
- Collaborate with District staff to ensure alignment with long-term goals.

Meeting Protocol

- Frequency: Monthly, with additional meetings as necessary.
- Agenda and Materials: Distributed 72 hours before the meeting.
- Public Participation: Provide opportunities for public comment on agenda and non-agenda items.
- Minutes: Documented and publicly accessible.

Accountability

- Regular performance reviews of the Committee's effectiveness.
- Monthly reporting to the full Board of Directors on key issues and decisions.

Key Improvements

SOP/SOW ensures:

1. Role Clarity: Clearly defines the Executive Committee's duties and avoids operational interference, aligning with best practices in governance.
2. Financial Oversight: Balancing operational flexibility with Board oversight.

3. **Transparency:** Supports documentation and reporting practices for public trust and compliance.
4. **Focus on Governance:** Ensures the Executive Committee remains focused on high-level priorities, policy development, and strategic goals.

Benefits

- Prioritizes accuracy and transparency of meeting records.
- Provides Executive Committee members with an opportunity to ensure their discussions and decisions are captured correctly.
- Maintains compliance while fostering accountability.

DRAFT



Executive Committee Agenda Item: 3

Date: February 12, 2025

Subject: DRAFT Financial Resource Guide

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should engage staff in discussion about proposed Financial Resource Guide, which is intended to help Board Members and the public to understand and contextualize the information provided in various financial reports reviewed and prepared by the District.

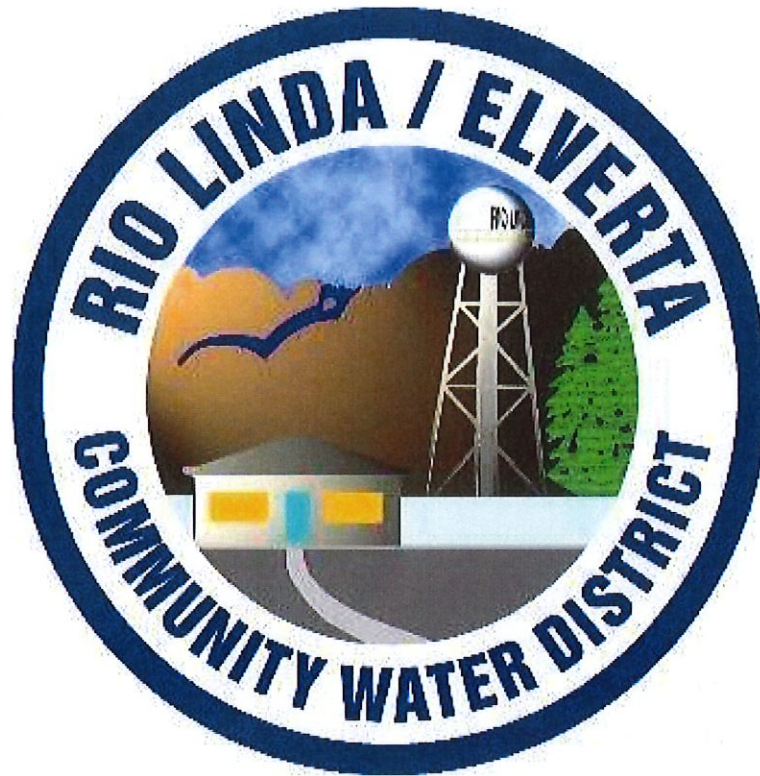
Current Background and Justification:

Over the years, staff has observed some of the same questions regarding the content of financial reports. These questions typically come from public members in attendance at meetings as well as from new Board Members. The degree and scope of repeat questions is further evident when new assignments to serve on the RLECWD Executive Committee materialize.

In response to the above-described need for improvements, staff have drafted the Financial Resource Guide. The Guide is a document associated with this item.

Conclusion:

It is not necessary for the Board to adopt or approve the Financial Resource Guide. However, all Board Members should be provided with a copy and encouraged to use the Guide when reviewing applicable reports. It is additionally appropriate to receive input from Board Members on proposed additions/deletions and revisions to the Guide from time to time.



FINANCIAL RESOURCE GUIDE

Abstract

The financial resource guide is to instruct and assist users on how to read the financial reports of the Rio Linda Community Water District. For comments and questions please email to ddenning@rlecwd.com

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Purpose of this Guide

The purpose of this guide is to better understand the Rio Linda Elverta Community Water District's (RLECWD or District) publicly available financial reports.

Governmental accounting and financial reporting are intended to provide assurance that available governmental resources are controlled and spent in accordance with the organizational spending, product and service delivery decisions, and a variety of finance related legal and contractual provisions.

Financial reporting demonstrates accountability and transparency by communicating information to its various users (e.g., ratepayers, board members, state agencies, management, and staff), which is useful to make important decisions.

The financial reports described in this guide are the following:

- [Expenditures Report](#)
- [Financial Statements Report](#)
- [Budget Report](#)
- [Annual Comprehensive Financial Report \(ACFR\) including the Financial Audit](#)
- [Annual California State Controller Reporting Requirements](#)

Overview

An overview of governmental accounting terminology as it pertains to the District will provide a foundation of knowledge to begin the quest to understand the District's financial reports.

Financial Reporting Year

A financial reporting year, also known as a fiscal year, is a 12-month accounting period used to prepare financial statements and calculate profits, losses, and budgets. It's used by businesses, governments, and other organizations. A fiscal year begins and ends on specific dates.

The District's fiscal year begins on July 1st and ends on June 30th.

Basis of Presentation – Fund Accounting

The District's resources are allocated to and accounted for in basic financial statements as an enterprise fund type of the proprietary fund group.

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies.

Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted, and amounts unrestricted.

Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The basis of accounting refers to the timing varieties when financial events gets recorded.

There are two types of accounting basis:

- **Cash Basis** – Revenues are recorded when received and expenses are recorded at the time liabilities are paid. For example, when the District purchases chemical supplies on June 30th but does not pay for the supplies until July, the expense would be recognized in July, not June.
- **Accrual Basis** – Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Using the above example, the chemical supplies purchase would be recognized on June 30th.

The District records all financial transactions on an accrual basis. The Expenditure Reports discussed later is reported on a cash basis.

Chart of Accounts

The chart of accounts is the most important list and is considered the backbone of an accounting system. The purpose of a chart of accounts is to provide a complete list of the accounts of the District's general ledger accounts and their balances. It tracks how much money the entity has, how much money it owes, how much money is coming in, and how much is going out.

The Districts chart of accounts has been designed to coincide with the [Financial Transactions Report](#) for transparency and readability and will be discussed in more detail.

The chart of accounts consists of:

- **Balance Sheet Accounts**
- **Revenue/Income and Expense Accounts**

Expenditures Report

What is it?

The expenditure report in its simplest form is the District's check register for operating (day-to-day), capital expenditures (capitalized as an asset), and other accounts grouped by bank account. An expenditure represents a payment to purchase budgeted goods or services and is a reduction in the fund or bank account.

Most expenditures are paid through the operating account including capital and debt service payments. When this happens, the District transfers the money from the other accounts to reimburse the operating account.

Why is it important?

Transparency is our utmost priority. By listing the paid budgeted expenditures users can seek further clarification from the District regarding paid budgeted expenditures.

When is it issued?

Every month the District provides an expenditure report. The expenditures are reported in arrears. For example, if the meeting is in June, the expenditures report will be for April.

Where can I find it?

The report is included in both the Executive Committee and Board meeting packets. The District posts the agendas on our [Facebook page](#) and website at <https://www.rlecwd.com/board-meetings>. As required by The Brown Act, users will find the meeting packets posted on the website and Facebook page a minimum of 72 hours prior to the meeting.

How do I read it?

The expenditure report includes the following information:

- **Top Header**
 - Accounting Basis – The report uses a Cash Basis of accounting. Please refer to [Accounting Basis](#) and the [Glossary](#) for definitions.
 - Month and year of report
- **Body of Report**
 - Date – The date of the payment.
 - Num – The transaction number of the expenditure. If it is an electronic payment, it will be noted with EFT. If it is a number, it represents the number of the check.
 - Name – Payee.
 - Memo – The description of the expenditure using the chart of account name.
 - Amount – The dollar amount of the paid expenditure.
- **Expenditure Totals** – Report is grouped by bank account and type of expenditure.
 - Operating Account Budgeted Expenditures – Sum of all budgeted expenditures paid with the operating account.
 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs – Sum of all non-budgeted employee paid pass-throughs.
 - The District will also show an expenditure report of other accounts where money is to be expended from for disbursements paid by the Operating Account. For example, if the District paid a Capital Expenditure, a transfer amount from the Capital Improvement Account to the Operating Account will be made to offset the capital disbursement.

Below is an example to show the formatting of the report. Larger examples will be found on the website in board packets.

Cash Basis

**Rio Linda Elverta Community Water District
Expenditure Report
June 2024**

Date	Num	Name	Memo	Amount
06/27/2024	EFT	Voyager	Transportation Fuel	236.93
06/27/2024	EFT	Western Health	Health Insurance	12,559.16
06/27/2024	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	50,976.00
06/27/2024	EFT	RLECWD - SURCHARGE ACCOUNT 1	BI-monthly Transfer	88,623.90
06/27/2024	EFT	RLECWD - SURCHARGE ACCOUNT 2	BI-monthly Transfer	73,760.17
06/27/2024	3D36	Sacramento County Clerk/Recorder	Lien Fees	220.00
06/27/2024	3D37	Government Finance Officers Association	Dues & AFGR - Replace check 2902	610.00
06/27/2024	3D38	Customer	Final Bill Refund	10.86
06/27/2024	3D39	AM Conservation Group	Conservation - Replace check 2707	333.84
06/27/2024	3D40	Buckmaster Office Solutions	Printing	71.09
06/27/2024	3D41	Chacon, Soborro	Lien Fees	310.00
06/27/2024	3D42	DirectHit Pest Control	Pest control service	95.00
06/27/2024	3D43	Rio Linda Elverta Recreation & Park District	Meeting Expense	160.00
06/27/2024	3D44	RW Trucking	Distribution Supplies	774.50
06/27/2024	3D45	Sierra Chemical Company	Chemical Supplies	3,451.20
06/27/2024	3D46	USA BlueBook	Safety	703.45
06/27/2024	3D47	VOID	VOID	0.00
06/27/2024	3D48	Ferguson Enterprises	Capital Improvement Small Meter Replacement	29,635.56
06/27/2024	3D49	VOID	VOID	0.00
Total 10020 - Operating Account Budgeted Expenditures				448,483.61

06/13/2024	EFT	California State Disbursement Unit	Employee Garnishment	227.53
06/13/2024	3D20	Teamsters	Union Dues	613.00
06/15/2024	EFT	AFLAC	Employee Funded Premiums	745.84
06/27/2024	EFT	California State Disbursement Unit	Employee Garnishment	227.53
06/30/2024	EFT	WageWorks	FSA Expenditures - Employee Funded	1,386.59
Total 10020 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs				3,400.49

Financial Statements Report

What is it?

As a steward of public monies, every governmental entity should prepare and publish financial statements as a matter of public record. Financial statements provide information about operations, cash flows, assets, and liabilities that account for the government's management and use of funds.

The financial statements provide the data in a summarized form that can be compared to similar entities and evaluated against the goals of the community.

The District's Financial Statements report consists of the balance sheet and profit and loss statements. Below describes each report and the definitions of each.

Overview of the Balance Sheet

The balance sheet shows the value of the District's assets, liabilities, and net position as of a particular day. The value of the assets is always equal to the combined value of the liabilities and net position (another term is called equity).

Assets represent future economic benefits and what the District owns. The assets is grouped into 3 types:

- Current Assets – Cash, Accounts Receivable, Accrued Revenues, Inventory, and Prepaid Expenses. These assets can be converted into cash easily. Cash assets are defined as:
 - Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents including bank deposits and money market accounts. These are considered non-restricted cash assets.
 - Restricted Assets – Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants and ordinances.
- Capital Assets (Non-current Assets) – Long-lived tangible and intangible assets obtained or controlled because of past transactions, events or circumstances. Capital assets are acquired for long-term investment and are not expected to be converted into cash quickly. Capital assets can also be called fixed assets. It is the District's policy to capitalize assets with an initial cost of more than \$5000 and an estimated useful life more than one year.
- Other Assets – Other assets not classified in the other two categories.

Liabilities represent what the District owes or present obligations to transfer resources in the future due to past transactions or events. Liabilities are classified as current and noncurrent liabilities.

Net Position is a residual concept equity is what's left after subtracting liabilities from assets or Net Position = Assets – Liabilities.

The District's balance sheet accounts will be discussed later in [How do I read it?](#)

Overview of the Profit and Loss Statements

A profit and loss statement is a financial report that shows the District's revenues, expenses and net profit or loss over a given period. The District's report compares it to the annual budget on a year-to-date basis.

Why is it important?

Most governments are unlike private-sector businesses—governments do not charge citizens directly for most services they receive but, rather, finance services with taxes or water rates, and other fees applied generally to the public.

Because citizens have little choice about paying these water rates and fees, and because it is not always clear how the rates and fees citizens pay relate to the services they receive, governments must take special care to demonstrate that they have been accountable to the public.

Financial statements are an important way for governments to demonstrate their accountability and to provide information that is useful for people to make decisions.

When is it issued?

The reports are prepared on a monthly and quarterly basis.

- Balance Sheet: Monthly
- Operating Profit & Loss Budget Performance: A condensed version is prepared monthly except for September, December, March, and June where the report is prepared in an expanded version.
- Capacity Revenue Profit & Loss Budget Performance: Quarterly in September, December, March, and June.
- Surcharge 1 Profit & Loss Budget Performance: Quarterly in September, December, March, and June.
- Surcharge 2 Profit & Loss Budget Performance: Quarterly in September, December, March, and June.

Where can I find it?

The report is included in both the Executive Committee and Board meeting packets. The District posts the agendas on our [Facebook page](#) and [website](#). As required by The Brown Act, users will find the meeting packets posted on the website and Facebook page a minimum of 72 hours prior to the meeting.

How do I read it?

We will use the basics we have learned previously and define each of the District's chart of accounts located on the reports.

Balance Sheet

The District's balance sheet is divided into types of accounts discussed previously in [Overview of the Balance Sheet](#). The following section will identify and define the asset, liability, and net position accounts on the District's balance sheet.

Non-Restricted and Restricted Cash Assets

The District has several cash assets that are used for different purposes that are non-restricted and restricted.

Operating Account

The Operating account is unrestricted . It is used to pay for operating and capital expenditures. The [Expenditure Report](#) will provide the detail if an expenditure is a capital expense. In these scenarios, the Operating Account will be reimbursed by the appropriate fund account.

Capital Improvement Account

The Capital Improvement Account is unrestricted and used to pay for capital expenditures as outlined in the Capital Budget.

Zions Inv/Surcharge 1 Reserve

A restricted debt service account to establish a reserve as required by our 2011 Safe Drinking Water State Revolving Fund (SDWSRF) funding agreement # SRF111CX107, Article B-4 Reserve Fund. The Reserve Fund shall be maintained and administered by the Fiscal Agent.

The funds will remain in this account until the loan is paid off per the District's loan agreement.

Surcharge 1 Account

A restricted debt service account to pay the semi-annual payments per the 2011 Safe Drinking Water State Revolving Fund loan of \$7,179,072.79. This account will be closed after repayment of the loan or 20 years from the project completion date. The account shall be maintained and administered by the Fiscal Agent.

The funds will be used only for payment of principal and/or interest on the loan or delinquencies until loan is repaid in full per funding agreement Section 13 Fiscal Service and Deposit Account Control Agreement.

A surcharge fee of \$19.00 per billing cycle is charged to each active account and collected as a primary source of funds. The funds are deposited into the Operating Account then transferred bimonthly.

Umpqua Bank – Revenue Bond

A restricted debt service account to pay the semi-annual 2015 Water Revenue Refunding bond payments. The funds will be used only for payment of principal and/or interest on the loan or delinquencies until loan is repaid in full.

The set amount is paid by the Operating Fund per month to build up enough money for payment of the bonds when due.

Surcharge 2 Account

A restricted debt service account to pay the semi-annual payments of principal and/or interest on the loan or any delinquencies until loan is repaid in full per installment agreement Article IV, Section 4.4.

The account is where the collected Surcharge 2 revenues are deposited per the 2018 Installment Sale Agreement (originally with OPUS Bank) with Pacific Premier Bank. This account will be closed after repayment of the loan.

A surcharge fee of \$15.80 per billing cycle is charged to each account and collected as a primary source of funds. The funds are deposited into the Operating Account then transferred bimonthly.

Available Funding Cr6 Projects #1

A restricted account for the purposes of fund future Chromium (Cr6) Mitigation projects. The funds balance represents the remaining loan proceeds of Surcharge 2.

The account will be closed when all funds have been used for new Cr6 projects.

Available Funding Cr6 Projects #2

A restricted account for the purposes of fund future Chromium (Cr6) Mitigation projects. The funds balance represents the proceeds of the Regional Water Authority Grant for Well 16.

The account will be closed when all funds have been used for new Cr6 projects.

Future Capital Imp Projects

A restricted account for the purposes to fund specific board approved future capital improvement projects. On April 20, 2020, the board adopted a CIP Projects List that will allow the District to proactively designate specific annual amounts in its Capital Budget for specific capital improvement projects that are deemed necessary to be constructed by an established future date. These projects include:

- Annual Pipeline Replacement
- Well 12A Design
- Well 12A Construction

Each budgeting year, a detailed accounting of each project funding balance is maintained and reconciled to the ending fund balance.

LAIF Account – Capacity Fees

A restricted account for the purpose to provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service.

Virtually all development that occurs within the District requires the use of District facilities, plant and equipment for public services. This fee is established to ensure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs. Capacity fees are a one-time charge paid at the building permit stage, which is formally correlated to the cost of existing and future water capacity infrastructure, e.g. wells, pumps and water mains.

Annual contributions from capacity fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to the fund balance, using the District's earnings rate on investments. The amount of charge per connection is adjusted annually to account for changes in the cost of construction materials.

Operating Reserve Fund

A restricted account for the purpose to provide an emergency reserve fund to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures. The board of directors must have a board action to use these funds.

At each fiscal year budget, an analysis will be performed to determine the minimum target balance based upon the previous fiscal year's average monthly expenditures. Additionally, interest earnings will be accrued on and added to the fund balance, using the District's earnings rate on investments.

Other Current Assets

Other current assets on the District's balance sheet include:

- Accounts Receivable – Other: Outstanding receivables such as hydrant water use and other fees.
- Water Utility Receivable – The balance of the rate payers balanced owed.
- Accrued Interest Receivable – An asset account reflecting interest revenue incurred but not paid until a later date. Shows accrued interest included in the purchase price of capital assets purchased between interest dates.
- Inventory Asset – Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued on a first-in, first-out basis.
- Prepaid Expense – They represent payments made in advance for goods or services that will be received in the future.

Capital Assets

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

It is the District's policy to capitalize all capital assets with an initial cost of more than \$5,000 and an estimated useful life of more than one year. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

On the District's balance sheet there are the following categories of capital expenditures:

- General Plant Assets
 - Structures and Improvements
 - Office Furniture and Equipment (includes computer assets)
 - Maintenance Equipment and Tools
 - Transportation Equipment: Vehicles and Trailers

- Water System Facilities
 - Source of Supply
 - Structures and Improvements
 - New Wells
 - Pumping and Water Storage Plant
 - Pump Stations
 - Pumps and other related equipment
 - Water Storage Tanks
 - Power Generating Equipment
 - Water Treatment Plant
 - Chromium Treatment Plant
 - Disinfection Equipment
 - Transmission and Distribution
 - Large and Small Meter Replacements
 - Transmission and Distribution Mains
 - Service Lines
- Intangible Assets
 - Annexation Boundary Maps
 - Master Plans
 - Standard Improvement
 - Urban Water Management Plans
- Accumulated Depreciation & Amortization
- Construction in Progress – Capital expenditures not yet completed.
- Land – Land owned by the District either donated or purchased.

Other Assets

The District's other assets include:

- Additional Discretionary Payment (ADP) CalPERS Receivable – Per Resolution 2020-21, the District board of directors loaned itself \$500,000 with a 15-year term to pay down the CalPERS Unfunded Accrued Liability from the Future Capital Imp Projects account. The balance shown is the current balance that is owed back to the District.
- Deferred Outflows - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.
- Suspense Account – The goal of a suspense account is to temporarily hold transactions until they can be reassigned to the correct account in the general ledger. Typically, any balance will be cleared in the following reporting period.

Current Liabilities

Current Liabilities on the District balance sheet include the following:

- Accounts Payable – Represents outstanding money owed to creditors.
- Credit Cards – Represents outstanding money owed to the District credit card account.
- Other Current Liabilities - Represents outstanding other current liabilities including Payroll Liabilities, Compensated Absences Liability, Accrued Interest Payable, Security Deposits, and Current Portion of Long-term Liabilities.

Long-Term Liabilities

Long-term Liabilities on the District balance sheet include the following:

- OPEB Liability – Represents Other Post Employment Benefits (OPEB) are the expected costs of benefits that retired and current employees will receive after their employment. The liability is adjusted at year-end only.
- Lease Buy-Back – Represents the unearned revenue balance for future rental income on various cell tower leases.
- Surcharge 1 Loan – Represents the loan balance less the current short-term liabilities.
- Surcharge 2 Loan – Represents the loan balance less the current short-term liabilities.
- Water Rev Refunding – Represents the loan balance less the current short-term liabilities.
- ADP CalPERS Loan – Represents the internal loan balance less the current short-term liabilities.
- Net Pension Liability – Represents the underfunded value of the plan assets. If the present value of estimated pension obligation is greater than the fair value of plan assets, the plan is underfunded.
- Deferred Inflows – Pension and OPEB – This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net Position for the enterprise fund represents the amount available for future operations. The following will identify and define each account:

- Invested in Capital Assets, Net – Amount invested in capital assets, net of related debt.
- Restricted for Debt Service – Amount restricted for debt service used through external requirements imposed by creditors.
- Unrestricted – Amount of net position that is unrestricted for future operations.
- Net Revenue – Current net revenue for the fiscal year.

District Balance Sheet Example

Below is an example of the District's balance sheet. For the most recent reports, go to the District website called [Board Meetings](#). Go to any meeting and download the board packet where you can find the financial statements.

Accrual Basis

Rio Linda Elverta Community Water District
UnAudited Balance Sheet
As of June 30, 2024

ASSETS

Current Assets

100 - Cash & Cash Equivalents	
10000 - Operating Account	
10020 - Operating Fund-Umpqua	1,757,034.35
Total 10000 - Operating Account	1,757,034.35
10475 - Capital Improvement	
10480 - General	512,255.85
10485 - Vehicle Replacement Reserve	37,948.49
Total 10450 - Capital Improvement	550,204.34
Total 100 - Non-Restricted Cash & Cash Equivalents	2,307,238.69

102 - Restricted Assets	
102.2 - Restricted for Debt Service	
10700 - ZIONS Inv/Surcharge 1 Reserve	529,963.38
10300 - Surcharge 1 Account	960,352.01
10350 - Umpqua Bank - Revenue Bond	40,425.67
10380 - Surcharge 2 Account	536,415.92
Total 102.2 - Restricted for Debt Service	2,057,156.98
102.4 - Restricted Other Purposes	
10385 - Available Funding Cr6 Projects #1	476,676.47
10481 - Available Funding Cr6 Projects #2	505,000.00
10490 - Future Capital Imp Projects	1,623,679.83
10600 - LAIF Account - Capacity Fees	939,073.54
10650 - Operating Reserve Fund	337,490.41
Total 102.4 - Restricted Other Purposes	3,881,920.25
Total 102 - Restricted Assets	5,939,077.23

Accounts Receivable	0.00
Other Current Assets	
12000 - Water Utility Receivable	45,369.45
12200 - Accrued Revenue	597,373.36
12250 - Accrued Interest Receivable	2,750.36
15000 - Inventory Asset	48,647.54
16000 - Prepaid Expense	18,618.88
Total Other Current Assets	712,759.59

Total Current Assets **8,959,075.51**

Fixed Assets

17000 - General Plant Assets	853,964.28
17100 - Water System Facilities	25,323,453.93
17300 - Intangible Assets	383,083.42
17500 - Accum Depreciation & Amort	-12,521,210.96
18000 - Construction in Progress	1,124,580.28
18100 - Land	576,872.45
Total Fixed Assets	15,540,543.38

Other Assets

18500 - ADP CalPERS Receivable	410,000.00
19000 - Deferred Outflows	1,108,047.00
19900 - Suspense Account	0.00
Total Other Assets	1,518,047.00

TOTAL ASSETS **26,015,665.89**

Accrual Basis

Rio Linda Elverta Community Water District
UnAudited Balance Sheet
As of June 30, 2024

LIABILITIES & NET POSITION

Liabilities	
Current Liabilities	
Accounts Payable	127,747.04
Credit Cards	0.00
Other Current Liabilities	983,871.88
Total Current Liabilities	<u>1,091,618.92</u>
Long Term Liabilities	
23000 - OPEB Liability	37,482.00
23500 - Lease Buy-Back	469,522.27
25000 - Surcharge 1 Loan	2,314,710.45
25050 - Surcharge 2 Loan	1,835,040.18
26000 - Water Rev Refunding	1,187,101.00
26500 - ADP CalPERS Loan	380,000.00
27000 - AMI Meter Loan	0.00
29000 - Net Pension Liability	824,024.00
29500 - Deferred Inflows-Pension	97,916.00
29600 - Deferred Inflows-OPEB	44,171.00
Total Long Term Liabilities	<u>7,179,966.80</u>
Total Liabilities	8,271,585.80
Net Position	
31500 - Invested in Capital Assets, Net	10,069,661.46
32000 - Restricted for Debt Service	705,225.24
38000 - Unrestricted Equity	5,585,040.30
Net Income	1,404,223.09
Total Net Position	<u>17,744,080.09</u>
TOTAL LIABILITIES & NET POSITION	<u>26,015,665.89</u>

Profit & Loss Statements

The District's profit and loss statement reports use a budget performance analysis format with several columns:

- Annual Budget – District's current annual budget amount.
- Current Month – The current month's total revenue and expenses.
- Year-to-date (YTD) – The Districts current fiscal year year-to-date totals for revenue and expenses.
- Percent (%) of Annual Budget – The District's percentage of the total amount *remaining* left in the annual budget. This is calculated by taking the YTD column and dividing it by the Annual Budget Column.
- YTD Annual Budget Balance – The District's total amount *remaining* left in the annual budget.
 - A **positive amount** in both revenues and expenses tells the user of the report the District has not exceeded the annual budget.
 - A **negative amount** in the Revenue section tells the user of the report the District has exceeded the annual budget's projected revenues. In other words, the District has received revenues more than what was projected in the Annual Budget.
 - A **negative amount** in the Expense section tells the user of the report the District has exceeded the annual budget's projected expenses. In other words, the District has spent more than what was projected in the Annual Budget.

Operating Profit & Loss Budget Performance

The District's profit and loss relating to the Operating budget. The operating revenue and expenses are specifically related to providing water services to our ratepayers.

Following the description of the remaining profit and loss reports is an example.

Capital Budget vs Actual

The District's capital expenditures in comparison to the annual budget. Capital expenditures are those that are capitalized and depreciated over time. These capitalized expenditures are added to the Capital Assets on the balance Sheet at the end of the fiscal year.

Capacity Revenue Profit & Loss Budget Performance

The District's profit and loss related to the Capacity Fee revenue and expenses. A capacity fee is a one-time fee charged to customers who want to connect to a District's water system. The fee is intended to balance the costs of new and existing customers, and to ensure that new development is paid for by those who benefit from it. The revenues received from Capacity Fees are transferred to the LAIF account. These funds are restricted for future development projects.

Surcharge 1 Profit & Loss Budget Performance

The District's profit and loss related to Surcharge 1. The revenue received is used to pay for the Debt Service in relation to the loan. These revenues are restricted and transferred to the Surcharge 1 bank account.

Surcharge 2 Profit & Loss Budget Performance

The District's profit and loss related to Surcharge 2. The revenue received is used to pay for the Debt Service in relation to the loan. These revenues are restricted and transferred to the Surcharge 2 bank account.

Accrual Basis

Rio Linda Elverta Community Water District
Unaudited Operating Profit & Loss Budget Performance
June 2024

	Annual Budget	Jun 24	YTD Jul 23-Jun 24	% of Annual Budget	YTD Annual Budget Balance
60200 - Administration					
60205 - Bank & Merchant Fees	1,850.00	76.90	1,759.92	95.13%	90.08
60207 - Board Meeting Fee	13,900.00	500.00	8,550.00	61.51%	5,350.00
60210 - Building Expenses					
60211 - Office Utilities	7,261.00	721.36	6,600.69	90.91%	660.31
60212 - Janitorial	2,340.00	195.00	2,340.00	100.00%	0.00
60213 - Maintenance	4,000.00	95.00	3,709.32	92.73%	290.68
60214 - Security	400.00	0.00	369.00	92.25%	31.00
Total 60210 - Building Expenses	14,001.00	1,011.36	13,019.01	92.99%	981.99
60220 - Computer & Equipment Maint.					
60221 - Computer Systems	32,000.00	1,979.21	26,550.43	82.97%	5,449.57
60222 - Office Equipment	875.00	71.09	741.63	84.76%	133.37
Total 60220 - Computer & Equipment Maint.	32,875.00	2,050.30	27,292.06	83.02%	5,582.94
60230 - Office Expense	7,500.00	593.55	7,096.48	94.62%	403.52
60240 - Postage and Delivery	21,450.00	929.36	21,425.56	99.89%	24.44
60250 - Printing	8,500.00	254.85	8,038.37	94.57%	461.63
60255 - Meetings & Conferences	100.00	0.00	50.00	50.00%	50.00
60260 - Publishing	1,050.00	0.00	712.00	67.81%	338.00
60270 - Telephone & Internet	4,250.00	232.19	3,023.82	71.15%	1,226.18
60430 - Insurance					
60431 - General Liability	31,903.00	2,616.92	31,848.32	99.83%	54.68
60432 - Property	14,702.00	1,199.24	14,701.60	100.00%	0.40
Total 60430 - Insurance	46,605.00	3,816.16	46,549.92	99.88%	55.08
60500 - Water Memberships					
60503 - SGA	30,925.00	0.00	30,925.00	100.00%	0.00
60504 - ACWA	11,697.00	0.00	11,140.00	95.24%	557.00
60507 - CRWA	1,507.00	0.00	1,507.00	100.00%	0.00
Total 60500 - Water Memberships	44,130.00	0.00	43,573.00	98.74%	557.00
60550 - Permits & Fees	55,000.00	530.00	46,961.45	85.38%	8,038.55
60555 - Subscriptions & Licensing	2,120.00	103.00	1,604.00	75.66%	516.00
60560 - Elections	0.00	0.00	0.00	0.00%	0.00
60585 - Uncollectible Accounts	5,113.00	0.00	5,112.51	99.99%	0.49
60570 - Other Operating Expenses	500.00	0.00	0.00	0.00%	500.00
Total 60200 - Administration	258,944.00	10,097.67	234,768.10	90.66%	24,175.90
64000 - Conservation					
64001 - Community Outreach	500.00	0.00	333.84	66.77%	166.16
Total 64000 - Conservation	500.00	0.00	333.84	0.67	166.16

Rio Linda Elverta Community Water District
Unaudited Operating Profit & Loss Budget Performance
June 2024

	Annual Budget	Jun 24	YTD Jul 23-Jun 24	% of Annual Budget	YTD Annual Budget Balance
65000 - Field Operations					
65100 - Other Field Operations					
65110 - Back Flow Testing	3,000.00	0.00	1,264.58	42.15%	1,735.42
65120 - Construction Equip Maintenance	10,100.00	493.69	10,040.58	99.41%	59.42
65130 - Field Communication	3,400.00	246.06	2,603.10	82.44%	596.90
65140 - Field IT	35,800.00	2,121.86	28,771.40	82.20%	6,228.60
65150 - Laboratory Services	43,337.00	29,216.50	43,337.00	100.00%	0.00
65160 - Safety Equipment	6,000.00	3,107.37	3,392.78	56.53%	2,607.22
65170 - Shop Supplies	8,000.00	6.99	7,090.55	88.63%	909.45
Total 65100 - Other Field Operations	<u>109,837.00</u>	<u>35,191.69</u>	<u>98,699.99</u>	<u>88.85%</u>	<u>12,137.01</u>
65200 - Treatment	35,000.00	3,451.20	30,287.71	86.54%	4,712.29
65300 - Pumping					
65310 - Maintenance	25,000.00	1,736.58	20,414.22	81.66%	4,585.78
65320 - Electricity & Fuel	260,000.00	45,589.94	249,802.59	96.12%	10,097.41
Total 65300 - Pumping	<u>285,000.00</u>	<u>47,426.52</u>	<u>270,316.81</u>	<u>94.85%</u>	<u>14,683.19</u>
65400 - Transmission & Distribution					
65410 - Distribution Supplies	50,000.00	4,607.17	42,112.13	84.22%	7,887.87
65430 - Tank Maintenance	6,500.00	0.00	0.00	0.00%	6,500.00
65440 - Contract Repairs	79,000.00	0.00	59,281.73	84.69%	10,718.27
65450 - Valve Replacements	11,900.00	0.00	0.00	0.00%	11,900.00
65460 - Paving Repairs	8,563.00	0.00	0.00	0.00%	8,563.00
Total 65400 - Transmission & Distribution	<u>146,963.00</u>	<u>4,607.17</u>	<u>101,393.86</u>	<u>68.99%</u>	<u>45,569.14</u>
65500 - Transportation					
65510 - Fuel	18,000.00	1,195.14	16,090.39	89.39%	1,909.61
65520 - Maintenance	8,100.00	3,826.42	8,074.97	99.69%	25.03
Total 65500 - Transportation	<u>26,100.00</u>	<u>5,021.56</u>	<u>24,165.36</u>	<u>92.59%</u>	<u>1,934.64</u>
Total 65000 - Field Operations	<u>601,900.00</u>	<u>95,698.14</u>	<u>522,863.73</u>	<u>86.87%</u>	<u>79,036.27</u>
Total 60000 - Operating Expense	<u>2,348,212.00</u>	<u>282,414.22</u>	<u>2,152,066.35</u>	<u>91.65%</u>	<u>195,125.65</u>
69000 - Non-Operating Expense					
69010 - Debt Service					
69100 - Revenue Bond					
69105 - Principle	156,908.00	0.00	156,908.00	100.00%	0.00
69110 - Interest	44,887.00	-809.00	43,277.65	98.16%	809.35
Total 69100 - Revenue Bond	<u>200,995.00</u>	<u>-809.00</u>	<u>200,185.65</u>	<u>99.60%</u>	<u>809.35</u>
69125 - AMI Meter Loan					
69130 - Principle	139,744.00	0.00	139,726.82	99.99%	14.18
69135 - Interest	3,972.00	-14.37	3,947.11	99.37%	24.69
Total 69125 - AMI Meter Loan	<u>143,716.00</u>	<u>-14.37</u>	<u>143,673.93</u>	<u>99.97%</u>	<u>39.07</u>
69200 - PERS ADP Loan					
69205 - Principle	30,000.00	30,000.00	30,000.00	100.00%	0.00
69210 - Interest	1,628.00	1,628.00	1,628.00	100.00%	0.00
Total 69200 - PERS ADP Loan	<u>31,628.00</u>	<u>31,628.00</u>	<u>31,628.00</u>	<u>100.00%</u>	<u>0.00</u>
Total 69010 - Debt Service	<u>376,336.00</u>	<u>30,804.63</u>	<u>375,487.58</u>	<u>99.78%</u>	<u>848.42</u>
69400 - Other Non-Operating Expense	<u>2,300.00</u>	<u>0.00</u>	<u>1,430.00</u>	<u>62.17%</u>	<u>870.00</u>
Total 69000 - Non-Operating Expense	<u>378,636.00</u>	<u>30,804.63</u>	<u>376,917.58</u>	<u>99.55%</u>	<u>1,718.42</u>
Total Expense	<u>2,726,848.00</u>	<u>313,218.85</u>	<u>2,529,003.93</u>	<u>92.75%</u>	<u>197,844.07</u>
Net Ordinary Income	<u>537,787.00</u>	<u>181,331.07</u>	<u>733,543.18</u>		
Net Income	<u>537,787.00</u>	<u>156.00</u>	<u>733,543.18</u>		

Budget Report

What is it?

The Budget report is the instrument used by the District staff to present the proposed plan of financial operations of the District to the Board of Directors. It includes the proposed Budget, and all supporting statements, details, schedules, statistics, messages, summaries and other information deemed appropriate by the General Manager. The District follows policy 3.07.

District Policy 3.07

The District's policy governs when the budget will be completed:

3.07.100 Presentation and Review In June of each year, the General Manager shall present the draft budget documents to the Board of Directors, including the "Preliminary Budget, for the following fiscal year. The Board may adopt the Preliminary Budget and schedule a Public Hearing for consideration of the Final Budget (typically August regular Board of Directors meeting).

3.07.200 Public Hearing On or before the regular Board meeting in August, the Board of Directors shall hold a public hearing to adopt the Final Budget. Copies of the Budget document shall be available to the public.

3.07.300 Adoption During or before the regular Board meeting in August, the Board of Directors shall make any changes it deems desirable to the Preliminary Budget and shall adopt by resolution the Budget as finally determined. The resolution shall include all adopted revenue and expenditure figures.

3.07.400 Revisions. Occasionally, it is necessary and appropriate for Board of Directors to revise the budget. Examples of necessary budget revisions include but are not limited to; unforeseen regulatory requirements and expenses, operational costs beyond those originally budgeted, and catastrophic equipment/facilities failures. As required, the General Manager will present budget revisions to the Board and the Board will consider these revisions at regular meetings of the Board of Directors.

3.07.500 Minor Revisions and reallocations between line items. When the budget revisions are minor in scope and/or consist merely of reallocating a surplus from one line item to cover reasonably anticipated shortfalls in another line item, the General Manager is authorized to make such minor budget revisions and report the revision, including submitting the revised budget to the Board review at the subsequent Board of Directors meeting. General Manager authorized minor budget revisions are limited in that the total budgeted expenses must remain unchanged.

Why is it important?

A key objective of the operating budget is to ensure that revenues (inflows) are sufficient to cover expenses (outflows).

Budget controls are necessary to ensure that a government does not spend more than the amount legally appropriated by its governing body. By establishing clear spending boundaries, budget controls also promote accountability and bolster trust throughout the organization.

When is it issued?

The District's Policy 3.07 outlines when the Budget is issued.

3.07.100 Presentation and Review In June of each year, the General Manager shall present the draft budget documents to the Board of Directors, including the "Preliminary Budget, for the following fiscal year. The Board may adopt the Preliminary Budget and schedule a Public Hearing for consideration of the Final Budget (typically August regular Board of Directors meeting).

3.07.200 Public Hearing On or before the regular Board meeting in August, the Board of Directors shall hold a public hearing to adopt the Final Budget. Copies of the Budget document shall be available to the public.

3.07.300 Adoption During or before the regular Board meeting in August, the Board of Directors shall make any changes it deems desirable to the Preliminary Budget and shall adopt by resolution the Budget as finally determined. The resolution shall include all adopted revenue and expenditure figures.

Where can I find it?

The current budget will be found on the [District's website](#) under Financial Reports.

How do I read it?

The outline and content of the budget includes a cover page, table of contents and the following sections:

Executive Summary

The executive summary is written to the board of directors and provides detailed information about the District's revenue and expenditure forecast for the next fiscal year and addresses the main points and major decisions made in compiling the budget.

The District's overall operation is achieved, in part, by regularly reviewing its goals, compliance mandates and means to accomplish such goals and mandates. These relationships are considered during the budget development process to provide the basis for prioritizing efforts, activities, needs, human and financial resources.

Understanding the Budget Document

This section provides an overview of the budget document itself that includes:

- An overview of the sections of the budget document; and

- Budgetary Control and Process

District Profile

This section provides the following information:

- District History and Service Description
- District Mission Statement
- District Officials
- Organizational Structure
- Service Area

Operating Budget

The Incremental Budgeting Method is used to prepare the Operating Budget. The District uses the same structure and format for the chart of accounts as the Annual Financial Audit Report to establish symmetry. The Operating Budget is described below outlining the categories, and columns.

The budget is divided into the following categories:

REVENUE – Includes both operating and non-operating revenue.

OPERATING EXPENSE – Includes all expenses considered operating and includes the following categories: Professional Fees, Personnel Services, Administration, Conservation, and Field Operations.

- **PROFESSIONAL FEES** – A category of expenditures are fees charged by service providers in occupations requiring special training in the arts or sciences including legal services, auditors, engineers, and other specialized consultants.
- **PERSONNEL SERVICES** – A category of expenditure, which primarily covers salaries and wages, benefits, and other costs related to District personnel.
- **ADMINISTRATION** – A category of expenditures directly related to the cost of providing services including building maintenance, computer systems, office, insurance, and water memberships.
- **CONSERVATION** – A category of expenditure directly relating to providing services related to water conservation including community outreach and rebate programs.
- **FIELD OPERATIONS** – A category of expenditure directly relating to providing services related to field operations including pumping, transmission and distribution, and transportation.

NON-OPERATING EXPENSES – Includes all expenses considered non-operating such as Debt Service expenses. The total Net Revenue follows.

OPERATING AND SURCHARGE FUND BALANCES – Reflects total estimated beginning and ending fund balances.

The budget is divided into the following columns:

COLUMN 1 - ACTUAL YTD – Actual revenue and expenses beginning July 1st and ending June 30th. An incremental budget is prepared using a previous period's budget or actual performance as a basis with incremental amounts added for the new budget period.

COLUMN 2 – The prior fiscal year budget.

COLUMN 3 – The new fiscal year budget.

COLUMN 4 - DIFFERENCE – The calculated total taking Column 3 less Column 2.

COLUMN 5 - EXPLANATION – An explanation or description of the differences between the two fiscal year budgets Column 2 and Column 3.

Capital Budget

The Incremental Budgeting Method is used to prepare the Capital Budget. Capital Expenditures are funds expended for Capital Improvement Projects (CIP). These projects include the purchase, construction, addition, or replacement of District facilities, infrastructure, and equipment. They are capitalized upon completion and depreciated based on the type of asset and its useful life. Capital expenditures are typically funded on a pay-as-you-go basis, through rate revenue.

Best Practice on Budget Monitoring

The following information is a Government Finance Officers Association (GFOA) [Best Practice on Budget Monitoring](#) (GFOA, 2024)

GFOA recommends that all governments establish a formal set of processes for comparing budget to actual results to monitor financial performance. Budget monitoring should include analysis of a diverse set of indicators to best inform the analysis and facilitate evaluation of a government's overall performance. Establishing and conducting regular budget monitoring provides organizations the opportunity to promptly adjust for any significant variances to ensure continuity of program/service delivery. Governments should establish comprehensive budget monitoring that includes the following key items:

1. What elements should be reviewed:
 - a. *Revenues*. Governments need to carefully analyze sources of funds with particular attention to:
 - Seasonality, and whether comparable to prior observations
 - Any potential volatility and the resulting impacts
 - Trends and comparison to projections
 - One-time sources
 - Timing of receipts
 - Relationship to economic indicators and potential impacts
 - Changes in policy/practice of overarching governments involved in disbursement of revenues
 - Review of patterns at other similar/related governments
 - b. *Expenditures*. Governments need to carefully monitor all expenditures as well – including one-time uses and examining key aspects of the following:
 - Personnel. Examine additional detail beyond just regular payroll expenses, including analysis related to hiring and vacancy information and, depending on magnitude, analysis of part-time, overtime, leave pay out and special pay. In

addition, conduct analysis of re-class/promotions to see if on-track with expectations. And whether fringe benefit costs are within budgeted expectations as well.

- Non-personnel. Monitoring needs to include more than just current expenses. Governments need to analyze draw down of encumbrances, outstanding purchase orders, and its major contracts to develop a better picture of not only what was spent, but what remains to be spent.
- c. *Operations*. Are services being provided as anticipated? Are any services being provided that were unanticipated? What trends are being observed that may impact whether spending remains on track?
 - d. *Capital*. Governments need to monitor the budgets of capital projects as well – see GFOA's Best Practice on '[Capital Project Monitoring and Reporting](#).'
 - e. *Economic Trends*. How is the broader context of prices for labor, services, commodities and other items impacting expenses versus the budget?
 - f. *Performance Measures*. Governments should incorporate into their budget monitoring process an examination of performance measures and linkages to financial outcomes. The analysis should include any changes to goals/initiatives since budget adoption and are there any new initiatives not initially included in the budget.
2. How the elements should be analyzed
 - a. *Root cause*. Governments should move beyond just identifying deviations from budget versus actuals and work towards analyzing and articulating why deviations occurred to move towards resolution.
 - b. *Time frame*. Is it anticipated for any identified variance to continue or is there an underlying reason for the variance? How does the current spending pattern impact the subsequent year's budget?
 - c. *Requirements*. Structure budget monitoring to meet any interim reporting requirements that the government may have, if possible.
 - d. *Basis of comparison*. Governments should also ensure that reference points for comparison are logical and appropriate and account for any major organizational changes that would impact any comparisons. In addition to comparison of current results to budget, government should expand their basis of comparison for more robust analysis to include:
 - Previous year actuals
 - Averages of several prior year actuals
 - Projections and forecasts
 3. At what level of detail should the analysis be conducted. This will vary depending on revenue/expenditure type. Organizations should discuss benefits of more versus less detail and its impacts on the timeliness, usefulness, and degree of difficulty to compile, among other factors. Potential levels at which to monitor the budget should mirror an organization's chart of accounts, including the following:
 - a. *Fund*. Use for high level analysis and may be the only monitoring needed for minor revenue/expenditure areas
 - b. *Department*. Analysis at this level can be used to establish budget accountability for department heads
 - c. *Sub-department/division*. Appropriate to analyze if budget accountability resides at the sub-department head level.
 - d. *Function*. Use to track expenditures by major organizational responsibilities, i.e. public safety, public works, etc.

- e. *Object/account*. Utilize for examining key types of expenditures at an organization-wide basis, such as overtime.
 - f. *Project/program/grant/activity*. Use to track revenue/expenditures of specific activities associated with areas that need additional scrutiny or for reporting requirements
4. Who is responsible and outlining roles
 - a. *Production*. Who produces the analysis, reports, etc. related to budget monitoring should be clearly articulated and disseminated.
 - b. *Roles*. Collaboration and ownership within the organization should be promoted to help provide context related to any potential issues.
 - c. *Ownership*. Identify who is responsible for resolving variances related to both spend and service delivery as well as any other problems identified that need attention.
 5. Tools for conducting the analysis
 - a. *Electronic system*. An organization's enterprise resource planning (ERP) system should drive data gathering and analysis related to budget monitoring. Use of the ERP system allows for real time information to be readily accessible for encumbrances and other time sensitive information as opposed to reliance on static, stand-alone reports.
 - b. *Automation*. Budget monitoring data and reports should be integrated into and generated by an organization's ERP system to ensure efficient use of staff time and consistency of information.
 - c. *Overspend Protection*. Governments should also ensure that mechanisms are in place in their ERP system to automatically prevent overspending of budget and notify the organization's financial leadership.
 - d. *Consistency*. Off-system analysis should be consistently applied to all aspects of monitoring the budget and clearly articulated to both staff conducting the analysis and end users.
 6. Communications. This will vary on type of size of jurisdiction as well as the intended audience
 - a. *Frequency*. The frequency of how often budget monitoring reports and information is generated should be agreed upon at all levels of the organization but may vary for different program areas.
 - b. *Delivery*. The government should describe the point at which the monitoring process is achieved and how the information is communicated and to which stakeholders, both internally and externally, needs to be clearly structured.
 - c. *Format*. The format how information related to budget monitoring needs to be clearly established as well, including considerations for the audience and their level of expertise.
 - d. *Transparency*. How can the information be shared on a widespread basis to the community and include the proper context to best inform the public and minimize additional requests for more information.
 7. Action. A government's budget monitoring process does not end at the time of communication. Following the steps above, governments will conduct comprehensive monitoring and communication that will ensure timely corrective action and operational improvement.

Annual Comprehensive Financial Report (ACFR)

What is it?

An Annual Comprehensive Financial Report (ACFR) is a set of U.S. government financial statements comprising the financial report of a state, municipality, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board.

An ACFR provides financial, economic, and demographic information that can be used when analyzing financial statements of a local government. Government Code section 53891(a) requires local governments to use data from their audited financial statements, if available, to prepare the Financial Transactions Report (FTR) for submission to the State Controller. The audited financial statements should be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The ACFR includes the annual financial audit as required by [GASB 34](#).

Why is it important?

Assessment of a government's economic condition involves considering factors that could have an impact on a government's net position in the future. The most useful source of information for this purpose is the statistical section of the ACFR.

When is it issued?

The District publishes the ACFR at the same time as the annual audit is completed for the prior fiscal year. Typically, this occurs in November of each year.

Where can I find it?

District website

How do I read it?

The ACFR presents a wide variety of important information. Depending on the reader's specific focus, various sections might be of interest. For example, in the Financial Section, a reader can find the "high points" by reading through the Management Discussion and Analysis (MD&A) in the financial section.

The outline and minimum content of the ACFR should include a cover page, table of contents and the following three basic sections:

Introductory Section

The Introductory Section orients and guides the reader through the report and includes the following:

Letter of Transmittal

The letter of transmittal is addressed to the District's ratepayers and governing board and is divided into four parts:

- Formal Transmittal;

- Profile of Governance;
- Information useful in assessing a government’s economic conditions; and
- Awards and acknowledgments.

It should not reproduce information already provided in the MD&A, but provide an opportunity for management to offer “more subjective information than would be acceptable for MD&A. Both the letter of transmittal and MD&A should complement each other.

It is especially helpful to less experienced users of financial reports where the information is simple and straightforward.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (COA) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The goal of the program is not to assess the financial health of participating governments, but rather to ensure that users of their financial statements have the information they need to do so themselves.

The District has been proudly participating and receiving this award since the fiscal year 2016-2017.

List of District Officials

The list of District Officials include the board of directors and the employees.

Organization Chart

A graphic representation of the structure of the District showing the relationships of the positions.

Service Area

The District’s service area boundary map.

Financial Section

The Financial Section presents the entity’s basic financial statements and notes of the independent auditor’s report. It includes the following elements:

Independent Auditor’s Report

Management is responsible for the financial statements. The role of the financial statement auditor is to provide users of the report with independent assurance that they can reasonably rely upon those statements.

Management’s Discussion and Analysis (MD&A)

The purpose of the MD&A is to furnish an objective and easily readable analysis of the District’s financial activities. The MD&A is a required supplementary information (RSI). See below for a detailed definition.

The MD&A contains:

- A discussion of the basic financial statements;

- Condensed comparative data;
- Analysis of the District's overall financial position and results of operations;
- Analysis of the balances and transactions;
- Analysis of budgetary variations;
- A description of capital asset and long-term debt activity;
- A discussion of infrastructure; and
- A discussion of currently known facts, decisions, or conditions of future significance.

Basic Financial Statements

Basic financial statements (BFS) is the minimum information necessary for fair presentation in conformity with generally accepted accounting principles (GAAP). The BFS includes a two-year comparative balance sheet and a statement of revenues, expenditures, and changes in fund balances or Statement of Cashflows.

Minimum Required Components

While GAAP does not require all elements of the ACFR, it does require the following minimum components for proper financial reporting:

- Management's Discussion and Analysis (MD&A);
- Basic Financial Statements (government-wide and fund financial statements);
- Notes to the Financial Statements; and
- Required Supplementary Information (other than MD&A)

Required Supplementary Information (RSI)

Required supplementary information is supporting information that the Governmental Accounting Standards Board (GASB) has concluded is essential for placing basic financial statements and notes to basic financial statements in an appropriate operational, economic, or historical context.

Combining Financial Statements (non-major funds)

This section includes the District's pension trust funds for the last ten years including:

- Cost-Sharing Multiple-Employer Defined Pension Plan
- Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Statistical Section

Provides additional financial and statistical data, including financial trends that may better inform the reader about the government's activities over a 10-year period.

Financial Trends

Financial trend schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. This section includes the following trend schedules:

- Schedule of Net Position by Component
- Schedule of Change in Net Position

Revenue Capacity

Revenue capacity schedules contain information to help the reader assess the District's capacity to raise revenue and the sources of that revenue. This section includes the following revenue capacity schedules:

- Retail Water Rates
- Water Sales by Type of Customer
- Principal Rate Payers

Debt Capacity

Debt capacity schedules contain information to help the reader understand the District's outstanding debt, the capacity to repay the debt, and the ability to issue additional debt in the future. This section includes the following debt capacity schedules:

- Schedule of Debt Service
- Ratios of Outstanding Debt by Type and Number of Connections

Demographic and Economic Information

The demographic and economic schedules contain trend information to help the reader understand the environment in which the District's financial activities occur. This section includes the following demographic and economic schedules.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

The operating information schedules assist the reader in evaluating the size, efficiency, and effectiveness of the District. This section includes the following operating information schedules.

- Capital Assets
- Operating Data

Annual California State Controllers Reports

The District must file two annual reports to the California State Controller. The two reports are discussed in this section.

Financial Transactions Report

Pursuant to Government Code section [12463](#) et seq., the California State Controller's Office (SCO) has developed the Special District Financial Transactions Report. The purpose of the financial transactions report (FTR) is to provide financial data about California special districts on a uniform basis. Government Code section [53891\(a\)](#) requires special districts to furnish the Controller with this financial transactions report.

The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in the form and manner required by the Controller. The District must submit the Financial Transactions report by January 31st.

The financial transactions reports are then compiled and published in an "open data" platform by SCO at <https://bythenumbers.sco.ca.gov> for use by the State Legislature, districts, and the public. California Government Code section [53891\(b\)](#) requires the Controller to prescribe uniform accounting procedures for special districts. This guidance can be found in SCO's Special District Uniform Accounting and Reporting Procedures (SPD) manual at SCO's website, https://www.sco.ca.gov/pubs_guides.html. The SPD manual conforms to Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

To find the District's financial transaction numbers go to <https://districts.bythenumbers.sco.ca.gov#!/year/2023/operating/0/entityname/Rio+Linda-Elverta+Community+Water+District/0/districttype2?vis=barChart>

Government Compensation Report

Government Code (GC) [53891](#) requires special districts to submit an annual Government Compensation in California (GCC) report to the State Controller's Office (SCO). Pursuant to GC 53891, the GCC report for the previous calendar year is due no later than **April 30th**.

The compensation data is published to this website under the authority of GC [12463](#).

Glossary

ACCRUAL BASIS – Method of accounting that recognizes the financial effect of transactions and events when they occur, regardless of the timing of related cash flows.

ASSET – A probable future economic benefit obtained or controlled by a particular entity because of past transactions or events (i.e., cash receivables, equipment, etc.)

BALANCE SHEET – A report that summarizes the financial position of the District where the value of the assets is always equal to the combined value of the liabilities and equity. The balance sheet shows the value of the District’s assets, liabilities, and equity as of a particular day

BUDGET – A financial plan showing authorized planned expenditures and their funding sources.

BUDGET PROCESS – The schedule of key dates or milestones, which the District follows in the development, preparation, adoption, and administration of the budget.

CAPITAL ASSETS – Long-lived tangible and intangible assets obtained or controlled because of past transactions, events or circumstances. It is the District’s policy to capitalize all capital assets with an initial cost of more than \$5,000 and an estimated useful life of more than one year.

CAPITAL IMPROVEMENT PROGRAM (CIP) – Authorized expenditures for tangible and long-term physical improvements or additions of a fixed or permanent nature.

CASH BASIS – Method of accounting that recognizes revenues and expenses at the time cash is received or paid out.

COMPENSATED ABSENCES – The District has a policy whereby employees can accrue up to a maximum of 300 hours of vacation leave. All accrued vacation leave will be paid to the employee on termination of employment. Accumulated unpaid vacation leave is accrued when earned. Employees accrue sick leave, but any remaining balance at termination of employment is not paid out to the employee; thus, the District does not accrue a liability for sick leave.

CURRENT ASSETS – Designates cash and other assets or resources commonly identified as those that are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the District within a year or less.

ENTERPRISE FUND – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity’s principal revenue sources. (a). The activity is financed with debt that is to be repaid solely with the net revenues and charges of the activity, or (b). Laws and regulations require that costs be recovered by revenues of the activity, or (c). The pricing policies of the activity are designed to fully recover all costs.

FISCAL YEAR (FY) – A 12-month period to which the annual budget applies and at the end of which a government determines its financial position and the results of its operations. For RLECWD the fiscal year is July through June 30.

FUND – Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND CLASSIFICATIONS – One of three categories (governmental, proprietary, and fiduciary) used to categorize fund types.

GOVERNMENTAL FUNDS – There are five different types of governmental funds: general fund, special revenue funds, debt service funds, capital projects fund, and permanent funds. Fiscal

INCREMENTAL BUDGETING METHOD – An incremental budget is a budget prepared using a previous period's budget or actual performance as a basis with incremental amounts added for the new budget period. The allocation of resources is based upon allocations from the previous period. Moreover, it encourages "spending up to the budget" to ensure a reasonable allocation in the next period.

LIABILITIES – Financial obligations that are owed to another party, such as money, goods, or services. Liabilities are classified as Current (expected to liquidate within a year or normal operating cycle) and Noncurrent (expected to require the transfer of resources or liquidate after a year or normal cycle).

MANAGEMENT DISCUSSION AND ANALYSIS – Required supplementary information that introduces the basis financial statements and provides an analytical overview of the District's financial activities. The MD&A should provide an overview of the previous year of operations, results of the operations, the current financial position of the company and changes in its financial condition. The MD&A should complement the financial statements and provide information relevant to understanding and interpreting the results.

NET INVESTMENT IN CAPITAL ASSETS – One of the three components of net position and consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction, or improvement of those assets.

NET POSITION - The statement of net position displays the resources of a government entity at a given point in time (usually the last day of the fiscal year). It provides an overview of the assets and liabilities netted against one another. The three components are: • Net Investment In Capital Assets; • Restricted (distinguishing between major categories of restrictions); and • Unrestricted.

NONCURRENT ASSETS – Assets that are expected to be converted to cash or consumed after a year or normal operating cycle whichever is longer.

OPERATING BUDGET – An operating budget is a combination of known expenses, expected future costs, and forecasted income over the course of a year. Operating budgets are completed in advance of the accounting period, which is why they require estimated expenses and revenues.

OPERATING REVENUES AND EXPENSES – Cost of goods sold and services provided to customers and the revenue thus generated.

OTHER ASSETS – Assets that are not included elsewhere.

OTHER POST EMPLOYMENT BENEFITS (OPEB) – Postemployment benefits other than pension benefits. OPEB include postemployment healthcare benefits, regardless of the type of plan that provides them,

and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

RESTRICTED ASSETS – Assets whose use is subject to constraints that are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION – One of the three components of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

REVENUE – Income received from the District’s day to day

UNRESTRICTED NET POSITION – One of the three components of net position and is the difference between the total net position and its two other components (net investment in capital assets and restricted net position).

WATER ENTERPRISE FUND – The purpose of the Water Enterprise Fund form is to collect uniform financial information related to water activities, including wastewater activities related to water operations, reported as an enterprise fund. If this activity has more than one operation, report information for all operations of this type, not for the individual operation level.



Executive Committee Agenda Item: 4

Date: February 12, 2025

Subject: Line Item 38000 – Unrestricted in Financial Report

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should engage staff in discussion regarding the meaning and context of the subject information. The Executive Committee may provide direction to staff.

Current Background and Justification:

At the January 8th Executive Committee meeting, the Committee members asked about line item “38000 - Unrestricted”, which indicates an amount of \$6.5 million. Committee members specifically asked if the \$6.5 million is available to refinance debt.

Staff responded that more research is needed to completely respond to the inquiry. Preliminary research conveyed that the amount shown does fluctuate over time and more analysis of the activity over time for item 38000 – Unrestricted should be done

The Accounting Specialist has prepared a report to explain the nature of line 38000 – Unrestricted. Her report is a document associated with this item.

Conclusion:

Board Action is neither anticipated nor required for this item. However, the question and the answer thereto may help improve Board Members and public review of Financial Reports.

Net Position

Net Position for the enterprise fund represents the amount available for future operations. The following will identify and define each account:

- Invested in Capital Assets, Net – Amount invested in capital assets, net of related debt.
- Restricted for Debt Service – Amount restricted for debt service used through external requirements imposed by creditors.
- Unrestricted – Amount of net position that is unrestricted for future operations.
 - Unrestricted does not equate to unallocated.
- Net Revenue – Current net revenue for the fiscal year.

Account number 38000 – Unrestricted Net Position

Net Position or its equivalent, Net Assets, is the arithmetic difference between the total assets and total liabilities recognized in the District's balance sheet. Net Position may be positive (assets greater than liabilities) or negative (assets less than liabilities).

Unrestricted net position is a component of a financial statement that shows the portion of a net position that can be used without restrictions. It's made up of assets that have no restrictions on how or when they can be used.

The amount is tied in with the annual audit and represents a year-end entry. It does not represent money that is spendable. The District's unrestricted and restricted funds are defined in the Financial Guide.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2024
(WITH COMPARATIVE DATA FOR JUNE 30, 2023)

25

ASSETS	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$2,307,238	\$1,902,758
Accounts receivable	642,742	601,193
Accrued interest receivable	2,750	2,071
Inventory	48,648	49,574
Prepaid expenses	18,619	19,068
Total current assets	3,019,997	2,574,664
NON-CURRENT ASSETS		
Restricted cash and investments	5,939,076	5,778,333
OPEB Asset	4,751	
Capital assets:		
Nondepreciable	1,701,253	1,449,703
Depreciable, net of accumulated depreciation	13,839,292	14,360,228
Total capital assets, net	15,540,545	15,809,931
Total non-current assets	21,484,372	21,588,264
TOTAL ASSETS	24,504,369	24,162,928
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	817,126	1,097,457
OPEB related	4,615	8,590
TOTAL DEFERRED OUTFLOWS OF RESOURCES	821,741	1,106,047
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	127,748	241,901
Accrued salaries and benefits	44,807	38,538
Accrued interest payable	23,713	26,572
Deposits payable	124,222	121,287
Unearned revenue	49,255	49,255
Accrued compensated absences - current portion	81,098	65,683
Current portion of bonds and loans payable	610,777	644,870
Total current liabilities	1,061,620	1,188,106
NON-CURRENT LIABILITIES		
Unearned revenue	459,522	508,777
Bonds and loans payable	5,336,852	6,228,638
OPEB Liability		37,482
Net pension liability	946,016	824,024
Total non-current liabilities	6,742,390	7,598,921
TOTAL LIABILITIES	7,804,010	8,787,027
DEFERRED INFLOWS OF RESOURCES		
Pension related	112,980	97,916
OPEB related	37,219	44,171
TOTAL DEFERRED INFLOWS OF RESOURCES	150,199	142,087
NET POSITION		
Net investment in capital assets	10,069,591	9,494,326
Restricted for debt service	705,226	705,226
Unrestricted	6,597,084	6,140,309
TOTAL NET POSITION	\$17,371,901	\$16,339,861

See accompanying notes to financial statements



**Executive Committee
Agenda Item: 5**

Date: February 12, 2025

Subject: Review Existing District Loans

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should engage staff in discussion about the existing loans and various amounts of savings the District could manifest via early payoff.

Current Background and Justification:

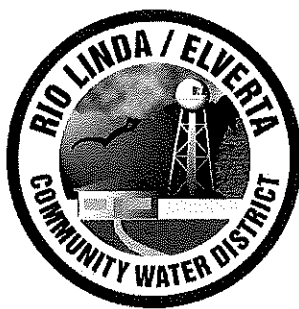
Director Liverett has requested an agenda item and supporting documents to review existing loans. The Accounting Specialist has prepared the documents to enable this discussion

Conclusion:

If the Executive Committee identifies a particular existing loan(s) to further explore the feasibility of early payoff, the Committee should forward that item onto an upcoming Board agenda with the Committee recommendation(s).

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
DEBT SERVICE OBLIGATIONS**

District Loans	Maturity Date	Loan Rate	Annual Debt Service Budget 24-25	Last Payment Date	Loan Balance as of Last Payment	12-31-24 Debt Service Bank Balance	Estimated Funds Needed for Payoff	Next Payment Date	Estimated Total	
									Interest Savings if Paid Off at Next Payment	Pay off Premium
25000 · Surcharge 1 Loan	7/1/2030	2.571%	\$ 461,355.00	1/1/2025	\$ 2,314,697.25	\$ 1,536,524.00	\$ 778,173.25	6/30/2025	\$ 179,608.00	None
25050 · Surcharge 2 Loan	4/1/2033	3.280%	\$ 306,339.00	10/1/2024	\$ 1,906,040.00	\$ 524,428.15	\$ 1,381,611.85	4/1/2025		Yes until 3/1/28
26000 · Water Rev Refunding	11/1/2031	2.990%	\$ 201,758.00	11/1/2024	\$ 1,282,101.00	\$ 54,838.76	\$ 1,227,262.24	5/1/2025	\$ 127,984.00	None
26500 · ADP CalPERS Loan	6/1/2036	0.370%	\$ 31,517.00	6/1/2024	\$ 410,000.00	\$ -	\$ 410,000.00	6/1/2025	\$ 8,529.00	None



**Executive Committee
Agenda Item: 6**

Date: February 12 2025

Subject: Update on the Engagement of BBK Law Firm

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should receive the staff's status report on the engagement of Best, Best and Krieger for the provision of legal services.

Current Background and Justification:

Board direction at the January 27th meeting was to place the engagement agreement with Best, Best and Krieger (BBK) as the first item for Board consideration at the next Board meeting.

The legal services engagement agreement from Andreas Booher of Best, Best and Krieger has been received and will be placed on the agenda (first item) for the next Board meeting - regular or special meeting, whichever comes first.

Conclusion:

The Board direction regarding engagement of Best, Best and Krieger on January 27th obviates the necessity of a committee recommendation.



Executive Committee Agenda Item: 7

Date: February 12, 2025

Subject: Mitigations for Anticipated Temporary Absence of the General Manager

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive committee should engage staff in discussion about mitigations for the anticipated absence of the General Manager.

Current Background and Justification:

Due to medical procedures, the General Manager is expected to be unable to drive to work for a period of a few weeks beginning mid to late February. Below are a few mitigation measures the District may deploy

- Limited Delegation of Authority – The District has a current policy wherein limited authority is delegated to another staff member. The compensation to that staff member is increased by 10% in recognition of the increased responsibility. Typical delegation items stipulated are administrative functions like signing timecards, approving vacation requests, receiving calls to report sick leave usage and authorizing/documenting routine purchases. The operations superintendent already performs these functions for operations personnel. We would need a similar role for non-operations personnel. These limited delegations of authority DO NOT include authority to discipline employees.
- Once every two weeks (with limited exceptions) Accounts Payable checks are printed, reviewed and signed. These checks are typically signed by the General Manager and one of the five Board Members. The mitigation for a temporarily unavailable General Manager would be signatures from Two Board Members.
- Remote meetings, in response to a pressing matter, the General Manager may be available for consultation etc. via Zoom. There will likely be a few days where the General Manager is not available even for Zoom meetings.

Conclusion:

Board actions are neither anticipated nor required for this item. However, it is entirely appropriate to have the same discussion with all Board Members.



**Executive Committee
Agenda Item: 8**

Date: February 12, 2025

Subject: Expenditure Report

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Expenditures of the District for the month of December 2024, then forward the report onto the upcoming Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

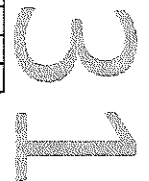
The Expenditures report summarizes all payments made by the District for the reporting period.

Conclusion:

Consistent with District policies, Expenditures are to be reviewed by this committee and presented to the Board of Directors to inform Board Members and the public of all expenditures of public funds.

**Rio Linda Elverta Community Water District
Expenditure Report
December 2024**

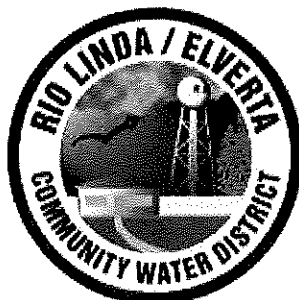
Date	Num	Name	Memo	Amount
12/11/2024	EFT	QuickBooks Payroll Service	For PP Ending 12/07/24 Pay date 12/12/24	20,914.76
12/12/2024	EFT	CalPERS	For PP Ending 12/07/24 Pay date 12/12/24	3,804.91
12/12/2024	EFT	CalPERS	For PP Ending 12/07/24 Pay date 12/12/24	1,422.50
12/12/2024	EFT	Internal Revenue Service	Employment Taxes	7,993.36
12/12/2024	EFT	Employment Development	Employment Taxes	1,672.17
12/12/2024	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,904.24
12/12/2024	EFT	Adept Solutions	Monthly Computer Maintenance	1,616.20
12/12/2024	EFT	Comcast	Telephone-Landline	109.68
12/12/2024	EFT	PG&E	Utilities	87.46
12/12/2024	EFT	Ramos Oil Inc.	Transportation Fuel	731.42
12/12/2024	EFT	Republic Services	Utilities	170.77
12/12/2024	EFT	Umpqua Bank Credit Card	Computer, Office, Transportation Maint., Telephone	972.21
12/12/2024	EFT	Verizon	Field Communication	425.38
12/12/2024	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
12/12/2024	EFT	RLECWD	RLECWD - Capital Improvement	52,517.00
12/12/2024	EFT	RLECWD	Surcharge 1 Bi-Monthly Transfer	88,809.48
12/12/2024	3249	Employee	Reimbursement - Employee Recognition	367.41
12/12/2024	3250	Customer	Final Bill Refund	48.22
12/12/2024	3251	Customer	Final Bill Refund	98.72
12/12/2024	3252	ABS Direct	Printing & Postage & Postage Prepaid \$5K	7,239.57
12/12/2024	3253	Association of California Water Agencies	Annual Membership Dues	12,230.00
12/12/2024	3254	ACWA/JPIA Powers Insurance Authority	EAP	24.80
12/12/2024	3255	BSK Associates	Lab Fees	10,551.76
12/12/2024	3256	Buckmaster Office Solutions	Office Equipment	78.98
12/12/2024	3257	CoreLogic Solutions	Subscription	106.09
12/12/2024	3258	County of Sacramento	Election - November 5, 2024	26,177.02
12/12/2024	3259	Government Finance Officers Association	Office Expense - Annual ACFR Submittal	460.00
12/12/2024	3260	Maze & Associates	Auditor Fee	2,150.00
12/12/2024	3261	Rio Linda Elverta Recreation & Park	Meeting Fee - November & December	200.00
12/12/2024	3262	Rio Linda Hardware & Building Supply	Shop Supplies	133.77
12/12/2024	3263	Sierra Chemical Company	Treatment	1,446.72
12/12/2024	3264	SMUD	Utilities	18,950.73
12/12/2024	3265	State Water Resource Control Board	Licensing	60.00
12/12/2024	3266	State Water Resource Control Board	Permits	881.00
12/12/2024	3267	UniFirst Corporation	Uniforms	360.09
12/12/2024	3268	Vanguard Cleaning Systems	Janitorial	195.00
12/12/2024	3269	Vasquez Engineering	Engineering	5,000.00
12/12/2024	3270	Verizon	Internet	46.44
12/12/2024	3271	Vulcan Materials Company	Distribution Supplies	568.25
12/12/2024	3272	White Brenner, LLP	Legal	6,888.90
12/26/2024	EFT	Kaiser Permanente	Health Insurance	2,575.25
12/26/2024	EFT	Principal	Dental & Vision Insurance	1,852.30



**Rio Linda Elverta Community Water District
Expenditure Report
December 2024**

12/26/2024	EFT	Western Health	Health Insurance	13,032.96
12/26/2024	EFT	WageWorks	FSA Administration Fee	76.25
12/24/2024	EFT	QuickBooks Payroll Service	For PP Ending 12/21/24 Pay date 12/26/24	23,203.76
12/26/2024	EFT	CalPERS	For PP Ending 12/21/24 Pay date 12/26/24	1,422.50
12/26/2024	EFT	CalPERS	For PP Ending 12/21/24 Pay date 12/26/24	3,766.60
12/26/2024	EFT	Internal Revenue Service	Employment Taxes	8,938.56
12/26/2024	EFT	Employment Development	Employment Taxes	1,919.53
12/26/2024	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,951.72
Total 10020 - Operating Account Budgeted Expenditures				<u>353,154.44</u>

12/15/2024	EFT	AFLAC	Employee Funded Premiums	687.72
12/12/2024	EFT	California State Disbursement Unit	Employee Garnishment	332.00
12/12/2024	3228	Teamsters	Union Dues	815.00
12/26/2024	EFT	California State Disbursement Unit	Employee Garnishment	332.00
12/31/2024	EFT	WageWorks	FSA Expenditures - Employee Funded	702.33
Total 10020 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs				<u>2,869.05</u>



**Executive Committee
Agenda Item: 9**

Date: February 12, 2025

Subject: Financial Statements

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Financial Reports of the District for the month of December 2024, then forward the report onto the upcoming Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The financial reports are the District's balance sheet, profit and loss, budget performance, and capital improvements year to date. This report provides a snapshot of the District's fiscal health for the period covered.

Once each quarter (including this report) staff provides an expanded version of the Finance Reports to provide additional finance details to the Board and public.

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform the Board Members and the public on the District's financial condition.

Rio Linda Elverta Community Water District

Balance Sheet

As of December 31, 2024

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ASSETS

Current Assets

100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund-Umpqua	2,100,141.75
Total 10000 · Operating Account	<u>2,100,141.75</u>
10475 · Capital Improvement	
10480 · General	782,164.93
10485 · Vehicle Replacement Reserve	37,948.49
Total 10450 · Capital Improvement	<u>820,113.42</u>

Total 100 · Non-Restricted Cash & Cash Equivalents 2,920,255.17

102 · Restricted Assets

102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge 1 Reserve	544,086.33
10300 · Surcharge 1 Account	992,437.48
10350 · Umpqua Bank - Revenue Bond	54,838.76
10380 · Surcharge 2 Account	524,428.15
Total 102.2 · Restricted for Debt Service	<u>2,115,790.72</u>

102.4 · Restricted Other Purposes	
10385 · Available Funding Cr6 Projects #1	476,700.45
10481 · Available Funding Cr6 Projects #2	497,030.20
10490 · Future Capital Imp Projects	1,381,215.92
10600 · LAIF Account - Capacity Fees	960,931.36
10650 · Operating Reserve Fund	340,007.50
Total 102.4 · Restricted Other Purposes	<u>3,655,885.43</u>

Total 102 · Restricted Assets 5,771,676.15

Accounts Receivable 761.38

Other Current Assets

12000 · Water Utility Receivable	98,924.78
12200 · Accrued Revenue	150,000.00
12250 · Accrued Interest Receivable	2,289.64
15000 · Inventory Asset	48,618.45
16000 · Prepaid Expense	94,499.45
16075 · OPEB GASB 75	4,751.00

Total Other Current Assets 399,083.32

Total Current Assets 9,091,776.02

Capital Assets

17000 · General Plant Assets	653,964.26
17100 · Water System Facilities	25,323,453.93
17300 · Intangible Assets	383,083.42
17500 · Accum Depreciation & Amort	-12,521,210.96
18000 · Construction in Progress	1,124,580.28
18100 · Land	576,672.45

Total Capital Assets 15,540,543.38

Other Assets

18500 · ADP CalPERS Receivable	410,000.00
19000 · Deferred Outflows	821,741.00
19900 · Suspense Account	0.00

Total Other Assets 1,231,741.00

TOTAL ASSETS 25,864,060.40

Rio Linda Elverta Community Water District

Balance Sheet

As of December 31, 2024

LIABILITIES & NET POSTION

Liabilities	
Current Liabilities	
Accounts Payable	84,607.35
Other Current Liabilities	935,340.36
Total Current Liabilities	1,019,947.71
Long Term Liabilities	
23500 · Lease Buy-Back	459,522.27
25000 · Surcharge 1 Loan	2,314,710.45
25050 · Surcharge 2 Loan	1,835,040.16
26000 · Water Rev Refunding	1,187,101.00
26500 · ADP CalPERS Loan	380,000.00
29000 · Net Pension Liability	946,016.00
29500 · Deferred Inflows-Pension	112,980.00
29600 · Deferred Inflows-OPEB	37,219.00
Total Long Term Liabilities	7,272,588.88
Total Liabilities	8,292,536.59
Net Position	
31500 · Invested in Capital Assets, Net	10,069,591.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted	6,597,086.39
Net Revenue	199,620.72
Total Net Position	17,571,523.81
TOTAL LIABILITIES & NET POSTION	25,864,060.40

Rio Linda Elverta Community Water District
 Operating Profit & Loss Budget Performance
 December 2024

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	<u>Annual Budget</u>	<u>Dec 24</u>	<u>YTD Jul-Dec 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
40000 · Operating Revenue					
40100 · Water Sales					
40101 · Basic Service Charge	1,212,965.00	-157.30	478,769.43	39.47%	734,195.57
40102 · Usage Charge	1,915,035.00	191.46	1,042,868.83	54.46%	872,166.17
40105 · Backflow Charge	31,400.00	0.00	12,278.85	39.11%	19,121.15
40106 · Fire Prevention	25,400.00	0.00	10,890.14	42.88%	14,509.86
40110 · Bi-Monthly Accrual	0.00	150,000.00	150,000.00	100.00%	-150,000.00
Total 40100 · Water Sales	3,184,800.00	150,034.16	1,694,807.25	53.22%	1,489,992.75
40200 · Water Services					
40201 · Application Fees	6,500.00	400.00	2,525.00	38.85%	3,975.00
40202 · Delinquency	70,000.00	11,574.00	37,744.64	53.92%	32,255.36
40209 · Misc. Charges	7,000.00	800.00	3,189.00	45.56%	3,811.00
Total 40200 · Water Services	83,500.00	12,774.00	43,458.64	52.05%	40,041.36
40300 · Other Water Service Fees					
40301 · New Construction QC	4,000.00	0.00	3,343.00	83.58%	657.00
40302 · Service Connection Fees	10,000.00	0.00	536.64	5.37%	9,463.36
40304 · Other Operating Revenue	6,000.00	0.00	18,451.33	307.52%	-12,451.33
Total 40300 · Other Water Service Fees	20,000.00	0.00	22,330.97	111.66%	-2,330.97
Total 40000 · Operating Revenue	3,288,300.00	162,808.16	1,760,596.86	53.54%	1,527,703.14
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.30	20.45	58.43%	14.55
Total 41110 · Investment Revenue	35.00	3.30	20.45	58.43%	14.55
41120 · Property Tax	127,000.00	1,322.59	5,194.93	4.09%	121,805.07
Total 41000 · Nonoperating Revenue	127,035.00	1,325.89	5,215.38	4.11%	121,819.62
Total Operating & Non-Operating Revenue	3,415,335.00	164,134.05	1,765,812.24	51.70%	1,649,522.76
Expense					
60000 · Operating Expenses					
60010 · Professional Fees					
60011 · General Counsel-Legal	35,000.00	6,888.90	16,518.16	47.20%	18,481.84
60012 · Auditor Fees	26,000.00	0.00	26,000.00	100.00%	0.00
60013 · Engineering Services	85,000.00	12,140.00	42,370.00	49.85%	42,630.00
Total 60010 · Professional Fees	146,000.00	19,028.90	84,888.16	58.14%	61,111.84
60100 · Personnel Services					
60110 · Salaries & Wages					
60111 · Salary - General Manager	134,179.00	7,619.21	59,858.07	44.61%	74,320.93
60112 · Staff Regular Wages	723,167.00	58,431.60	332,737.93	46.01%	390,429.07
60114 · Staff Standby Pay	18,250.00	1,400.00	9,100.00	49.86%	9,150.00
60115 · Staff Overtime Pay	11,000.00	175.68	4,134.94	37.59%	6,865.06
Total 60110 · Salaries & Wages	886,596.00	67,626.49	405,830.94	45.77%	480,765.06
60150 · Employee Benefits & Expense					
60151 · PERS Retirement	152,028.00	11,691.93	71,097.67	46.77%	80,930.33
60152 · Workers Compensation	8,293.00	554.70	5,336.34	64.35%	2,956.66
60153 · Group Insurance	239,340.00	17,238.50	98,636.69	41.21%	140,703.31
60154 · Retirees Insurance	16,200.00	0.00	4,198.20	25.92%	12,001.80
60155 · Staff Training	5,000.00	0.00	225.00	4.50%	4,775.00
60157 · Uniforms	7,770.00	1,100.15	4,436.85	57.10%	3,333.15
60158 · Payroll Taxes	69,649.00	5,268.46	31,288.57	44.92%	38,360.43
60159 · Payroll Service	1,860.00	102.00	822.25	44.21%	1,037.75
60160 · 457 Employer Contribution	20,300.00	1,576.87	9,416.44	46.39%	10,883.56
Total 60150 · Employee Benefits & Exp	520,440.00	37,532.61	225,458.01	43.32%	294,981.99
Total 60100 · Personnel Services	1,407,036.00	105,159.10	631,288.95	44.87%	775,747.05

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
December 2024**

	<u>Annual Budget</u>	<u>Dec 24</u>	<u>YTD Jul-Dec 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
60200 · Administration					
60205 · Bank & Merchant Fees	1,850.00	73.90	688.50	37.22%	1,161.50
60207 · Board Meeting Fee	13,900.00	1,600.00	3,900.00	28.06%	10,000.00
60210 · Building Expenses					
60211 · Office Utilities	7,500.00	458.34	3,180.02	42.40%	4,319.98
60212 · Janitorial	2,340.00	195.00	1,170.00	50.00%	1,170.00
60213 · Maintenance	4,500.00	95.00	797.92	17.73%	3,702.08
60214 · Security	500.00	0.00	234.00	46.80%	266.00
Total 60210 · Building Expenses	<u>14,840.00</u>	<u>748.34</u>	<u>5,381.94</u>	<u>36.27%</u>	<u>9,458.06</u>
60220 · Computer & Equipment Maint.					
60221 · Computer Systems	40,000.00	2,242.19	17,171.61	42.93%	22,828.39
60222 · Office Equipment	875.00	56.23	439.50	50.23%	435.50
Total 60220 · Computer & Equipment Maint.	<u>40,875.00</u>	<u>2,298.42</u>	<u>17,611.11</u>	<u>43.09%</u>	<u>23,263.89</u>
60230 · Office Expense	8,000.00	1,057.88	2,733.61	34.17%	5,266.39
60240 · Postage and Delivery	23,500.00	821.40	11,552.56	49.16%	11,947.44
60250 · Printing	11,500.00	298.98	5,616.87	48.84%	5,883.13
60255 · Meetings & Conferences	100.00	0.00	0.00	0.00%	100.00
60260 · Publishing	1,500.00	0.00	400.00	26.67%	1,100.00
60270 · Telephone & Internet	4,750.00	246.24	1,414.60	29.78%	3,335.40
60430 · Insurance					
60431 · General Liability	36,100.00	2,927.88	16,675.35	46.19%	19,424.65
60432 · Property	17,102.00	1,199.24	7,195.44	42.07%	9,906.56
Total 60430 · Insurance	<u>53,202.00</u>	<u>4,127.12</u>	<u>23,870.79</u>	<u>44.87%</u>	<u>29,331.21</u>
60500 · Water Memberships					
60503 · SGA	32,787.00	0.00	32,787.00	100.00%	0.00
60504 · ACWA	12,230.00	12,230.00	12,230.00	100.00%	0.00
60507 · CRWA	1,582.00	0.00	1,582.00	100.00%	0.00
Total 60500 · Water Memberships	<u>46,599.00</u>	<u>12,230.00</u>	<u>46,599.00</u>	<u>100.00%</u>	<u>0.00</u>
60550 · Permits & Fees	55,000.00	36,403.72	40,746.24	74.08%	14,253.76
60555 · Subscriptions & Licensing	2,120.00	166.09	684.18	32.27%	1,435.82
60560 · Elections	26,177.02	26,177.02	26,177.02	100.00%	0.00
60565 · Uncollectible Accounts	5,500.00	0.00	0.00	0.00%	5,500.00
60570 · Other Operating Expenses	322.98	0.00	0.00	0.00%	322.98
Total 60200 · Administration	<u>309,736.00</u>	<u>86,249.11</u>	<u>187,376.42</u>	<u>60.50%</u>	<u>122,359.58</u>

Rio Linda Elverta Community Water District
 Operating Profit & Loss Budget Performance
 December 2024

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	<u>Annual Budget</u>	<u>Dec 24</u>	<u>YTD Jul-Dec 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
64000 · Conservation					
64001 · Community Outreach	500.00	0.00	0.00	0.00%	500.00
Total 64000 · Conservation	500.00	0.00	0.00	0.00	500.00
65000 · Field Operations					
65100 · Other Field Operations					
65110 · Back Flow Testing	3,000.00	104.14	348.82	11.63%	2,651.18
65120 · Construction Equip Maintenance	10,500.00	0.00	2,086.85	19.88%	8,413.15
65130 · Field Communication	3,400.00	214.12	1,334.33	39.25%	2,065.67
65140 · Field IT	35,000.00	2,505.91	18,328.77	52.37%	16,671.23
65150 · Laboratory Services	45,000.00	1,854.07	46,330.07	102.96%	-1,330.07
65160 · Safety Equipment	6,000.00	0.00	1,389.86	23.16%	4,610.14
65170 · Shop Supplies	8,000.00	92.07	4,614.91	57.69%	3,385.09
Total 65100 · Other Field Operations	110,900.00	4,770.31	74,433.61	67.12%	36,466.39
65200 · Treatment	35,000.00	1,446.72	19,987.27	57.11%	15,012.73
65300 · Pumping					
65310 · Maintenance	25,000.00	10,234.79	15,480.76	61.92%	9,519.24
65320 · Electricity & Fuel	260,000.00	15,475.43	131,408.94	50.54%	128,591.06
Total 65300 · Pumping	285,000.00	25,710.22	146,889.70	51.54%	138,110.30
65400 · Transmission & Distribution					
65410 · Distribution Supplies	50,000.00	9,030.56	35,224.05	70.45%	14,775.95
65430 · Tank Maintenance	6,500.00	0.00	0.00	0.00%	6,500.00
65440 · Contract Repairs	70,000.00	0.00	0.00	0.00%	70,000.00
65450 · Valve Replacements	30,000.00	0.00	28,727.75	95.76%	1,272.25
65460 · Paving Repairs	30,000.00	0.00	0.00	0.00%	30,000.00
Total 65400 · Transmission & Distribution	186,500.00	9,030.56	63,951.80	34.29%	122,548.20
65500 · Transportation					
65510 · Fuel	18,000.00	818.18	7,453.54	41.41%	10,546.46
65520 · Maintenance	9,000.00	0.00	2,015.43	22.39%	6,984.57
Total 65500 · Transportation	27,000.00	818.18	9,468.97	35.07%	17,531.03
Total 65000 · Field Operations	644,400.00	41,775.99	314,731.35	48.84%	329,668.65
Total 60000 · Operating Expenses	2,507,672.00	252,213.10	1,218,284.88	48.58%	1,289,387.12
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	162,415.00	0.00	67,415.00	41.51%	95,000.00
69110 · Interest	39,343.00	0.00	20,175.27	51.28%	19,167.73
Total 69100 · Revenue Bond	201,758.00	0.00	87,590.27	43.41%	114,167.73
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,517.00	0.00	0.00	0.00%	1,517.00
Total 69100 · PERS ADP Loan	31,517.00	0.00	0.00	0.00%	31,517.00
Total 69010 · Debt Service	233,275.00	0.00	87,590.27	37.55%	145,684.73
69400 · Other Non-Operating Expense	2,300.00	0.00	0.00	0.00%	2,300.00
Total 69000 · Non-Operating Expenses	235,575.00	0.00	87,590.27	37.18%	147,984.73
Total Operating & Non-Operating Expense	2,743,247.00	252,213.10	1,305,875.15	47.60%	1,437,371.85
Net Revenue	672,088.00	-88,079.05	459,937.09		

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
 CAPITAL BUDGET 2024-2025
 December 2024

Description	Annual Budget	Dec 24	YTD Jul-Dec 24	% of Annual Budget	YTD Budget Balance
Raising/Lowering Valve Covers	40,000.00	0.00	33,600.00	84.00%	6,400.00
Well 15 Cr6 Treatment	171,000.00	0.00	3,080.00	1.80%	167,920.00
Server Replacement	9,500.00	0.00	9,500.00	100.00%	0.00
Total Continued Ongoing Projects	220,500.00	0.00	46,180.00	20.94%	174,320.00
Annual Miscellaneous Pump Replacements	30,000.00	0.00	0.00	0.00%	30,000.00
Annual Small Meter Replacements	120,000.00	0.00	2,153.71	1.80%	117,846.29
Annual Large Meter Replacements	5,000.00	0.00	0.00	0.00%	5,000.00
Annual Pipeline Replacement	270,650.00	0.00	270,650.00	100.00%	0.00
Total New Annual Projects	425,650.00	0.00	272,803.71	64.09%	152,846.29
Field Truck Replacement	40,000.00	0.00	0.00	0.00%	40,000.00
Total New Projects	40,000.00	0.00	0.00	0.00%	40,000.00
Total FY 2024-25	\$686,150.00	\$0.00	\$318,983.71	46.49%	\$367,166.29

**Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
October - December 2024**

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	<u>Annual Budget</u>	<u>Oct-Dec 24 Current QTR</u>	<u>July-Dec 24 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	40,000.00	11,262.07	21,857.82	54.65%	18,142.18
	<u>40,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>	<u>54.65%</u>	<u>18,142.18</u>
44100 · Capacity Fee Revenue	50,000.00	0.00	0.00	0.0%	50,000.00
Total Income	<u>90,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>	<u>24.29%</u>	<u>68,142.18</u>
Gross Income	<u>90,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>	24.29%	68,142.18
Net Income	<u>90,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>		

**Rio Linda Elverta Community Water District
Unaudited Surcharge 1 Profit & Loss Budget Performance
October - December 2024**

	<u>Annual Budget</u>	<u>Oct-Dec 24 Current QTR</u>	<u>July-Dec 24 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	1,948.24	2,896.65	100.0%	-2,896.65
41112 · Interest Revenue	1,000.00	5,976.98	12,805.73	1,280.57%	-11,805.73
41113 · Market Value Adjustment	0.00	689.78	6,196.98	100.0%	-6,196.98
	<u>1,000.00</u>	<u>8,615.00</u>	<u>21,899.36</u>	<u>2,189.94%</u>	<u>-20,899.36</u>
43010 · Surcharge 1 Revenue	<u>532,380.00</u>	<u>88,877.56</u>	<u>205,531.86</u>	<u>38.61%</u>	<u>326,848.14</u>
Total Income	<u>533,380.00</u>	<u>97,492.56</u>	<u>227,431.22</u>	<u>42.64%</u>	<u>305,948.78</u>
Gross Income	533,380.00	97,492.56	227,431.22	42.64%	305,948.78
Expense					
69150 · Surcharge 1 Loan					
69155 · Principle	389,231.00	198,362.34	198,362.34	50.96%	190,868.66
69160 · Interest	72,124.00	32,314.98	32,314.98	44.81%	39,809.02
69170 · Admin Fees	2,300.00	539.30	1,070.58	46.55%	1,229.42
Total 69150 · Surcharge 1 Loan	<u>463,655.00</u>	<u>231,216.62</u>	<u>231,747.90</u>	<u>49.98%</u>	<u>231,907.10</u>
Total Expense	<u>463,655.00</u>	<u>231,216.62</u>	<u>231,747.90</u>		
Net Income	<u><u>69,725.00</u></u>	<u><u>-133,724.06</u></u>	<u><u>-4,316.68</u></u>		

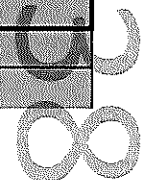
Rio Linda Elverta Community Water District
Unaudited Surcharge 2 Profit & Loss Budget Performance
October - December 2024

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	<u>Annual Budget</u>	<u>Oct-Dec 24 Current QTR</u>	<u>July-Dec 24 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	100.00	24.89	50.68	50.68%	49.32
	<u>100.00</u>	<u>24.89</u>	<u>50.68</u>	<u>50.68%</u>	<u>49.32</u>
43050 · Surcharge 2 Revenue	442,716.00	73,908.72	170,912.56	38.61%	271,803.44
Total Income	<u>442,816.00</u>	<u>73,933.61</u>	<u>170,963.24</u>	<u>38.61%</u>	<u>271,852.76</u>
Gross Income	442,816.00	73,933.61	170,963.24	38.61%	271,852.76
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	240,000.00	0.00	125,000.00	52.08%	115,000.00
69185 · Interest	74,293.00	0.00	34,194.67	46.03%	40,098.33
Total 69175 · Surcharge 2 Loan	<u>314,293.00</u>	<u>0.00</u>	<u>159,194.67</u>	<u>50.65%</u>	<u>155,098.33</u>
Total Expense	<u>314,293.00</u>	<u>0.00</u>	<u>159,194.67</u>		
Net Income	<u><u>128,523.00</u></u>	<u><u>73,933.61</u></u>	<u><u>11,768.57</u></u>		

Hexavalent Chromium (results in ug/l)

	2A	3	4	6	7	8A	9	10	11	12	15	16
BSK Lab 9/13/2013	2.4	5.4	11	11	7	15	8.1	9	13	8	11	
BSK Lab 1/28/2014	9.6	5.4	11	11	6.4	16	7.8	13	12	7.7	11	
BSK Lab 4/16/2014	10	5.8	11	11	6.3	16	8.5	13	11	7.9	12	
2015 Results for Running Annual Average												
	2A	3	4	6	7	8A	9	10	11	12	15	
BSK Lab 3/18/2015	10	6.7	11	11	5.9	16	8.5	13	11	4.8	12	
BSK Lab 6/3/2015	2.6	6.4	10.3	10.62		15	8.1	13	12	OOS	11.2	
BSK Lab 9/17/2015	9.1		9.7	11		15		7.7	11	7.1	11	
BSK Lab 11/13/2015	9.4		11	11	3.6	15		8.1	9.9		11	
2016 Results												
	2A	3	4	6	7	8A	9	10	11	12	15	
BSK Lab 3/22/2016	9.9	6.5	10.9	10.9	6.6	15.3	8.2	13.1	10.5	OOS	11.2	
BSK Lab 6/16/2016	10		11	12		16		13			11	
BSK Lab 9/27/2016	10		11	12		17		14	10		12	
BSK Lab 12/9/2016	11		12	12		17		14	13		12	
2017 Results												
	2A	3	4	6	7	8A	9	10	11	12	15	
CLS Lab 3/10/2017	8.4	5.2	6.9	5.4	3.4	5.1	1.4	9.9	8.8	7.1	8	
BSK Lab 6/30/2017	2.8		11	12		17		14	13		11	
BSK Lab 9/20/17	2.8		11	12		17		14	14		12	
2018 Results												
	2A	3	4	6	7	8A	9	10	11	12	15	
3/14/2018	8.6	5	8.9	9.2	3.7	13	6.3	11	10	6.6	9.4	
9/26/2018	2.6		11	12		16		14	15		12	
2019 Results												
	2A	3	4	6	7	8A	9	10	11	12	15	
3/26/2019	9.9	6.4	11	11	4.4	16	7.9	13	13	8.1	12	
6/27/2019	2.2		9.9	11		15		13	13		11	
12/10/2019	10		10	11		16		13	13		12	
2020 Results												
	2A	3	4	6	7	8A	9	10	11	12	15	
3/26/2020	9.7	6.2	10	11	4.6	15	7.5	13	13	7.6	11	



09/17/2024	09/24/2024	ND	Well 4 FB	PFAS - September 2024	SHI0377-04	ng/L
09/17/2024	09/24/2024	ND	Well 8A FB	PFAS - September 2024	SHI0377-06	ng/L
09/17/2024	09/21/2024	2.7	Well 4	PFAS - September 2024	SHI0377-03	ng/L
09/17/2024	09/21/2024	ND	Well 10	PFAS - September 2024	SHI0377-09	ng/L
09/17/2024	09/21/2024	ND	Well 11	PFAS - September 2024	SHI0377-11	ng/L
09/17/2024	09/21/2024	ND	Well 3	PFAS - September 2024	SHI0377-01	ng/L
09/17/2024	09/21/2024	ND	Well 8A	PFAS - September 2024	SHI0377-05	ng/L
09/17/2024	09/21/2024	ND	Well 9	PFAS - September 2024	SHI0377-07	ng/L
09/17/2024	09/24/2024	ND	Well 3 FB	PFAS - September 2024	SHI0377-02	ng/L
09/17/2024	09/24/2024	ND	Well 4 FB	PFAS - September 2024	SHI0377-04	ng/L
09/17/2024	09/24/2024	ND	Well 8A FB	PFAS - September 2024	SHI0377-06	ng/L
09/17/2024	09/21/2024	2.0	Well 4	PFAS - September 2024	SHI0377-03	ng/L
09/17/2024	09/21/2024	ND	Well 10	PFAS - September 2024	SHI0377-09	ng/L
09/17/2024	09/21/2024	ND	Well 11	PFAS - September 2024	SHI0377-11	ng/L
09/17/2024	09/21/2024	ND	Well 3	PFAS - September 2024	SHI0377-01	ng/L
09/17/2024	09/21/2024	ND	Well 8A	PFAS - September 2024	SHI0377-05	ng/L
09/17/2024	09/21/2024	ND	Well 9	PFAS - September 2024	SHI0377-07	ng/L
09/17/2024	09/24/2024	ND	Well 3 FB	PFAS - September 2024	SHI0377-02	ng/L
09/17/2024	09/24/2024	ND	Well 4 FB	PFAS - September 2024	SHI0377-04	ng/L
09/17/2024	09/24/2024	ND	Well 8A FB	PFAS - September 2024	SHI0377-06	ng/L
09/17/2024	09/21/2024	ND	Well 10	PFAS - September 2024	SHI0377-09	ng/L
09/17/2024	09/21/2024	ND	Well 11	PFAS - September 2024	SHI0377-11	ng/L
09/17/2024	09/21/2024	ND	Well 3	PFAS - September 2024	SHI0377-01	ng/L
09/17/2024	09/21/2024	ND	Well 4	PFAS - September 2024	SHI0377-03	ng/L
09/17/2024	09/21/2024	ND	Well 8A	PFAS - September 2024	SHI0377-05	ng/L
09/17/2024	09/21/2024	ND	Well 9	PFAS - September 2024	SHI0377-07	ng/L
09/17/2024	09/24/2024	ND	Well 3 FB	PFAS - September 2024	SHI0377-02	ng/L
09/17/2024	09/24/2024	ND	Well 4 FB	PFAS - September 2024	SHI0377-04	ng/L
09/17/2024	09/24/2024	ND	Well 8A FB	PFAS - September 2024	SHI0377-06	ng/L



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Executive Committee Agenda Item: 3

Date: October 9, 2024

Subject: Preliminary Monitoring for PFOAs

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should discuss the preliminary results for PFOAs et al and the next steps staff is taking in response to the results.

Current Background and Justification:

Up until recently, PFOAs et al monitoring has not shown any detectable concentrations in RLECWD wells. However, the U.S. EPA recently established substantially lower detection levels and limits. As a result, some preliminary monitoring indicates some of the analytes collectively referred to as PFOAs may be present in extremely low concentrations.

These concentrations are measured in parts per trillion (PPT). That's analogous to one inch in 16 million miles, or more than 600 trips around the earth.

Whenever the regulators (state and federal) implement a new monitoring requirement and associated detections levels and limits, typically the initial monitoring is exploratory. For example, the first rounds of monitoring entail one sample in each calendar quarter. This is especially relevant for drinking water because the water characteristics change throughout the seasons. Another aspect of preliminary monitoring is the reproducibility and refinement of techniques at the laboratories. There is a rebuttable perception that lowering the detection threshold will eventually improve the sciences and precision, e.g. build it and they will come, lower it and the science will catch up.

Typically, the state regulators, who work more closely with water agencies on implementing requirements, is the entity engaging for new policy implementation. The communication channels are well established. Contrastingly, whenever U.S. EPA is leading the effort, communication can be less than optimal.

Conclusion:

The Committee should engage staff in discussion on the next steps and possible ramifications to the preliminary results of PFOA monitoring at RLECWD wells.