

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

NOVEMBER 18, 2019 (6:30 p.m.)

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

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

AGENDA

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

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

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

2. PUBLIC COMMENT

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

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

3.1. Minutes

October 21, 2019

The Board is being asked to approve the Minutes from the October 21, 2019 Regular Board Meeting.

3.2. Expenditures

The Finance & Administrative Committee recommends the Board approve the September Expenditures.

3.3. Financial Reports

The Finance & Administrative Committee recommends the Board approve the September Financial Reports.

3.4. Payroll Administration Policy Revisions

The Board is being asked to approve revisions commensurate with the transition to biweekly pay periods and alternative work schedules, e.g. 9/80s.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report

4.1.1 The General Manager Tim Shaw will provide his monthly report to the Board of Directors.

4.2 District Engineer's Report

4.2.1 The District's Engineer Michael Vasquez will provide his monthly report to the Board of Directors.

4.3 Consider approving the bid specifications for the Well #16 Pumping Station and authorize solicitation of bids. (entire package of bid documents is too large for copying. Documents can be viewed at the District Office, 730 L Street, Rio Linda and WWW.RLECWD.COM)

4.4 Consider approving Resolution 2019-09 to revise the fee charged for Non-Sufficient Funds (NSF) checks and establishing a fee for declined Automated Clearing House (ACH) payments.

4.5 Consider authorizing revisions to the Operations Foreman position description and associated pay scale.

4.6 Consider authorizing revisions to the Sick Leave Policy in the Personnel Handbook.

4.7 Consider adopting a new Alternative Work Schedule Guideline in the Personnel Handbook.

4.8 Consider approving the Comprehensive Annual Financial Report (CAFR) for fiscal year 2018/2019.

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

5. INFORMATION ITEMS

5.1. District Activities Reports

5.1.1.Water Operations Report

5.1.2.Conservation Report

5.2. Board Member Reports

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

5.2.2.Regional Water Authority –Gifford (primary), Shaw

5.2.3.Sacramento Groundwater Authority – Harris (primary), Reisig

5.2.4.LAFCO – Vacant (pending election process, J Green nominated)

5.2.5.Executive Committee– Harris, Green

5.2.6.ACWA/JPIA – Ridilla

5.2.7.AD Hoc Committees

5.2.8.Other Reports

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

Upcoming meetings:

Executive Committee

December 2, 2019 Monday, 6:00 pm at the Visitor's/Depot Center, 6730 Front Street, Rio Linda, CA 95673.

Regular Board Meeting

December 16, 2019, Monday, 6:30 pm at Visitor's /Depot Center, 6730 Front Street, Rio Linda, CA 95673.



**Consent Calendar
Agenda Item: 3.1**

Date: November 18, 2019
Subject: Minutes
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A -Minutes of Board meetings are not reviewed by committees.

Current Background and Justification:

These minutes are to be reviewed and approved by the Board of Directors.

Conclusion:

I recommend the Board review and approve (as appropriate) the minutes of meetings provided with your Board packets.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

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

**MINUTES OF THE
OCTOBER 21, 2019
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The October 21, 2019 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Visitor's Depot Center located at 6730 Front Street, Rio Linda, CA 95673. General Manager Tim Shaw took roll call of the Board of Directors. Director Harris, Director Jason Green, President John Ridilla, Director Chris Gifford, Director Robert Reisig and General Manager Tim Shaw were present. Director Gifford led the pledge of allegiance.

President Ridilla asked for a moment of silence for a former Director who passed which served on the Board for about 12 years.

President Ridilla informed the public that a request had been made to move agenda 6 Closed Session to the beginning of the meeting.

2. PUBLIC COMMENT

Public member introduced himself as a long-time resident of the area who's in the water industry with a T2 D2 W2.

6. PUBLIC COMMENT PRIOR TO CLOSED SESSION

No public comment on this item.

The Board convened to closed session at 6:33 p.m.

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

- 7.1 CONFERENCE WITH LABOR NEGOTIATORS - (Pursuant to Government Code Section 54957.6) District Negotiators, Shaw, and Vierra. RLECWWD Employee General Unit, Teamster Local 150: Item deferred in MOU Renewal.**

8. RECONVENE IN OPEN SESSION

8.1 Announce any reportable actions authorized in Closed Session.

President Ridilla reported no action was taken.

3. CONSENT CALENDAR

3.1 Minutes

September 16, 2019

3.2 Expenditures

3.3 Financial Reports

No public comment.

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

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1. General Manager's Report

GM Shaw provided a written report.

No public comment.

The Board made no action on this item

4.2 District Engineer's Report – Mike Vasquez

District Engineer Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering, Well 16 Pumping Station Equipping and Site Design Project, Well 16 Proposition 84 RWA/DWR \$505 Grant Agreement.

No public comment on this item.

The Board made no action on this item

4.3 Consider authorizing the additional, alternate expression of salaried employees to include a biweekly salary (advantageous in accommodating 9/80s alternative work schedules).

The District and employees have been exploring alternative work schedules, e.g. 9-80s for over a year. The MOU renewal negotiation completed last May included an understanding that the District would support alternative schedules which meet the operational needs of the District. At the September 16th Board meeting, the Board provided direction and feedback in favor of the 9-80s option for alternative work schedules. The office hours will remain unchanged (open 5-days per week from 7:00 to 4:00).

The 9-80s work schedule is eight 9-hour workdays and one 8-hour workday in a two-week cycle. In every pay period, the employees work 80-hours, same total hours per pay period as a traditional five days per week 8-hours per day (work 80-hours every two weeks). However, the alternate 9-80s work schedule is incompatible with the current pay day pattern of semi-monthly paychecks. We currently pay on the 5th and 20th of every month, for a total of 24 pay checks each year. To accommodate 9-80s, the District will need to transition to biweekly pay checks, a paycheck every two weeks, for a total of 26 pay checks in a year. This biweekly pay period method is the method used by most government agencies. Biweekly pay periods entail the same annual total pay. The pay is simply paid out in a slightly different pattern (26 smaller checks instead of 24 checks in a year). Board action is NOT required to switch to biweekly pay periods.

The biweekly pay periods create a small anomaly every 11-years for salaried employees where the position description (or other expressions of pay) continues to list ONLY the annual salary. Every 11-years there is an extra paycheck in that year. The private sector employers typically ignore it and just pay salaried employees every two weeks. The cost of employment grievances and labor claims would far exceed the relatively small cost every 11-years. Most public agencies have addressed this via a minor change to the position descriptions (or other documents listing salaries) of salaried employees. For example, instead of only listing the salary as an annual amount, the employer list the salary as an annual

amount and as a biweekly amount. For example; change from only listing \$78,000 annually to “\$78,000 annually or \$3,000 biweekly”. At RLECWD this change is only applicable to the two salaried positions, GM and Operations Superintendent.

Because of the once every eleven (11) years calendar anomaly, the alternate expression of biweekly salary results in one extra paycheck once every 11-years, equivalent to a 3.8% pay increase for that year (equivalent to a 0.35% annual increase). If the recommended adjustment is not made, the salaried employees on a biweekly pay cycle skip a paycheck that the hourly rated employees don't skip. The salaried employees on the 11th year get a paycheck in mid-December and don't receive another paycheck until mid-January. CalPERS will not allow the District to have different pay cycles for different employees at the District, all on biweekly or all on semi-monthly.

It was moved by Director Gifford and seconded by Director Ridilla authorizing the additional, alternate expression of salaried employees to include a biweekly salary (advantageous in accommodating 9/80s alternative work schedules). Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

4.4 Consider adopting the RLECWD Strategic Plan

The District began the strategic planning process over a year ago. Before the District reached a final document stage, three of the five Board Members resigned for unrelated, non-controversial reasons. As the three new Board Members have now acclimated to their positions on the Board, the Board deemed it necessary and appropriate to seek input from the new Board Members prior to asking the Board to adopt a final plan document.

No public comment on this item.

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

4.5 Consider accepting the annual independent audit for fiscal year 2018/2019 from Fechter & Company.

Sound oversight of the financial matters for the District warrant regular auditing. Additionally, annual audits conducted by an independent, appropriately licensed auditor are required by law. The recent annual audit of the District's accounts has been completed by Fechter & Co. Certified Public Accountants.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Reisig to accept the audit for fiscal year 2018/2019 from Fechter & Co. Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

4.6 Consider approving an addendum to the Employment Agreement with General Manager, Tim Shaw.

The direction provided at the September 16th Board meeting, subsequent to the annual performance review of the General Manager, was to prepare an addendum to the GM Employment Agreement. The Board directed changes to be addressed in the addendum included:

1. \$1,500 per year increase in annual salary (equivalent to \$57.69 biweekly salary increase, approximately a 1.4% pay increase).
2. Increase in the number of hours of annual vacation leave from 96-hours to 120-hours, and increase the cap on accrual to be consistent with the Personnel Handbook policy.
3. Increase the hours of Admin Leave from 48-hours to 64-hours.

The addendum prepared for the Boards consideration addresses items 1 and 2. The Admin Leave element, Item 3, needs to be addressed through revising a Personnel Handbook Policy, which will need to be addressed separately. That item is not yet ready for Board consideration.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to approve the addendum to the Employment Agreement with the General Manager. Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous roll call vote of 5-0-0.

4.7 Board of Directors vote to fill vacancies on the Sacramento Local Agency Formation Commission (LAFCo).

The District received the ballot and candidates' profiles from Sacramento LAFCo, dated September 24, 2019. The ballot instructions provide that the RLECWD Board needs to vote at a properly noticed meeting prior to November 21st in order for the RLECWD votes to count.

Public member Brandon Rose, SMUD Board of Director, spoke to the Board by introducing himself and ask the Board to consider electing him for Commissioner and Director Green for the alternate.

It was moved by Board of Directors Green, Harris, Ridilla, Reisig and Gifford to nominate Jason Green for both Commissioner and Alternate on the LAFCo ballot. The motion carried with unanimous vote of 5-0-0.

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

No public comment on this item.

President Ridilla did not make any changes.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

1. Water Operations Report
2. Conservation Report

5.2. BOARD REPORTS

1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
2. Regional Water Authority –Gifford – No Meeting.
3. Sacramento Groundwater Authority – Harris, Reisig - Agenda Provided and verbal report.
4. LAFCO – Jason Green (Pending)
5. Executive Committee – Harris, Green - Minutes provided.
6. ACWA/JPIA – Ridilla - No Report

- 7. Ad Hoc Committee - None
- 8. Other Reports, e.g

9. DIRECTORS' AND GENERAL MANAGER COMMENTS – Director Harris thanked public member and Brandon Rose for attending the meeting.

10. ADJOURNMENT

Direct Ridilla adjourned the meeting at 7:30 p.m.

Respectfully submitted,

Timothy R. Shaw, Secretary

John Ridilla, President of the Board

DRAFT



**Consent Calendar
Agenda Item: 3.2**

Date: November 18, 2019

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the month of September 2019.

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for September 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:___ Harris:___ Jason Green ___ Gifford ___ Reisig___.

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

Rio Linda Elverta Community Water District
Expenditure Report
September 2019

Type	Date	Num	Name	Memo	Amount
Liability Check	09/03/2019	EFT	QuickBooks Payroll Service	For PP Ending 08/31/2019 Paydate 09/05/2019	19,579.88
Liability Check	09/05/2019	EFT	CalPERS	For PP Ending 08/31/2019 Paydate 09/05/2019	2,097.20
Liability Check	09/05/2019	EFT	CalPERS	For PP Ending 08/31/2019 Paydate 09/05/2019	2,019.65
Liability Check	09/05/2019	EFT	Nationwide	Deferred Compensation Plan	1,217.78
Liability Check	09/05/2019	EFT	Nationwide	Deferred Compensation Plan	25.00
Bill Pmt -Check	09/05/2019	EFT	Adept Solutions	Computer Maintenance	1,333.00
Bill Pmt -Check	09/05/2019	EFT	Comcast	Phone/Internet	227.22
Bill Pmt -Check	09/05/2019	EFT	Republic Services	Utilities	87.28
Liability Check	09/05/2019	EFT	Internal Revenue Service	Employment Taxes	6,758.12
Liability Check	09/05/2019	EFT	Employment Development	Employment Taxes	1,366.27
Bill Pmt -Check	09/05/2019	EFT	Voyager Fleet Commander	Transportation Fuel	327.72
Bill Pmt -Check	09/05/2019	EFT	Bankcard Center 2911	Computer, Postage	77.99
Bill Pmt -Check	09/05/2019	EFT	Bankcard Center 6418	Uniform	226.21
Transfer	09/05/2019	EFT	RLECWD	Wire Transfer to Umpqua Bank - Operating Reserve Funds	300,000.00
Check	09/05/2019	6058	Franchise Tax Board	Employee Garnishment	430.99
Check	09/05/2019	6059	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Check	09/05/2019	6060	Customer	Final Bill Refund	93.30
Bill Pmt -Check	09/05/2019	6061	ACWA/JPIA	EAP	23.50
Bill Pmt -Check	09/05/2019	6062	Buckmaster Office Solutions	Office Equipment Expense	217.42
Bill Pmt -Check	09/05/2019	6063	Churchwell White, LLP	Legal Services-July 2019	1,119.34
Bill Pmt -Check	09/05/2019	6064	Employee Relations, Inc.	Employee Background Check	135.50
Bill Pmt -Check	09/05/2019	6065	Ferguson Enterprises, Inc.	Meter Maintenance	39,027.05
Bill Pmt -Check	09/05/2019	6066	Intermedia.net, Inc.	Phone/Internet	82.65
Bill Pmt -Check	09/05/2019	6067	O'Reilly Automotive	Transportation Maintenance	61.65
Bill Pmt -Check	09/05/2019	6068	Rio Linda Elverta Recreation & Park District	Meeting Expense	25.00
Bill Pmt -Check	09/05/2019	6069	Rio Linda Hardware & Building Supply	Shop Supplies	516.87
Bill Pmt -Check	09/05/2019	6070	Sierra Chemical Company	Treatment	2,140.10
Bill Pmt -Check	09/05/2019	6071	SMUD	Utilities	18,149.11
Bill Pmt -Check	09/05/2019	6072	Staples	Office Expense	326.07
Bill Pmt -Check	09/05/2019	6073	USA BlueBook	Treatment	427.49
Bill Pmt -Check	09/05/2019	6074	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	09/05/2019	6075	EKI Environment & Water	Engineering - July & August 2019	10,000.00
Liability Check	09/16/2019	EFT	WageWorks	FSA Administration Fee	71.00
Check	09/17/2019	EFT	ARCO	Transportation: Fuel	771.03
Liability Check	09/19/2019	EFT	QuickBooks Payroll Service	For PP Ending 09/15/19 Pay date 09/20/19	19,456.94
Liability Check	09/19/2019	EFT	AFLAC	Employee Paid Insurance	651.04
Liability Check	09/20/2019	EFT	CalPERS	For PP Ending 09/15/19 Pay date 09/20/19	2,007.71
Liability Check	09/20/2019	EFT	CalPERS	For PP Ending 09/15/19 Pay date 09/20/19	1,969.00
Liability Check	09/20/2019	EFT	Internal Revenue Service	Employment Taxes	6,947.18
Liability Check	09/20/2019	EFT	Employment Development	Employment Taxes	1,453.76
Liability Check	09/20/2019	EFT	Nationwide	Deferred Compensation Plan	1,199.17
Liability Check	09/20/2019	EFT	Nationwide	Deferred Compensation Plan	25.00
Liability Check	09/20/2019	EFT	Principal	Dental & Vision Insurance	1,474.78



**Rio Linda Elverta Community Water District
Expenditure Report
September 2019**

Type	Date	Num	Name	Memo	Amount
Liability Check	09/20/2019	EFT	Western Health Advantage	Health Insurance	11,656.42
Bill Pmt -Check	09/20/2019	EFT	Verizon	Field Communication	371.39
Check	09/20/2019	EFT	RLECWD - SURCHARGE ACCOUNT 1	Current Monthly Transfer	42,500.00
Bill Pmt -Check	09/20/2019	EFT	Umpqua Bank Credit Card	Backflow Expense	184.95
Check	09/20/2019	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	34,000.00
Check	09/20/2019	6076	Postmaster	Postage	2,114.19
Liability Check	09/20/2019	6077	Teamsters Local #150	Union Dues	621.00
Bill Pmt -Check	09/20/2019	6078	Customer	Final Bill Reimbursement	130.69
Bill Pmt -Check	09/20/2019	6079	Anytime Garage Door	Building Maintenance	606.96
Bill Pmt -Check	09/20/2019	6080	BSK Associates	Lab Fees	690.00
Bill Pmt -Check	09/20/2019	6081	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	09/20/2019	6082	Demsey, Filliger & Associates	Auditor Fees	500.00
Bill Pmt -Check	09/20/2019	6083	ICONIX Waterworks	Distribution Supplies	3,516.97
Bill Pmt -Check	09/20/2019	6084	Med 7 Urgent Care Centers	Background Check	189.00
Bill Pmt -Check	09/20/2019	6085	Opus Bank	Surcharge 2 Loan Payment	114,389.24
Bill Pmt -Check	09/20/2019	6086	PG&E	Utilities	49.17
Bill Pmt -Check	09/20/2019	6087	Quill	Office Expense	52.56
Bill Pmt -Check	09/20/2019	6088	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	09/20/2019	6089	Sierra Chemical Company	Treatment	1,349.32
Bill Pmt -Check	09/20/2019	6090	Spok Inc.	Field Communication	15.27
Bill Pmt -Check	09/20/2019	6091	State Treasurer's Office	Staff Training	150.00
Bill Pmt -Check	09/20/2019	6092	Tees Unlimited	Uniforms	15.09
Bill Pmt -Check	09/20/2019	6093	Void	Void	0.00
Bill Pmt -Check	09/20/2019	6094	Wickham, Gerald	Retiree Benefits	350.70
Bill Pmt -Check	09/20/2019	6095	Unifirst Corporation	Uniforms	280.49
Total 10000 - Bank - Operating Account					<u>674,822.83</u>

Rio Linda Elverta Community Water District
Expenditure Report
September 2019

Type	Date	Num	Payee	Memo	Amount
Transfer	09/20/2019	EFT	RLECWD - Operating	Wire Transfer Correction on 9/5/19	1,542,275.39
10650 - Operating Reserve Account					<u>1,542,275.39</u>





**Consent Calendar
Agenda Item: 3.3**

Date: November 18, 2019

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Districts Financial Reports for the month of September 2019.

Current Background and Justification:

The financial reports are for the District’s balance sheet, profit and loss, and capital improvements year to date.

These financials are to be presented to the Board of Directors in order to inform them of the District’s current financial condition

Conclusion:

I recommend the Board approve the Financial Reports for September 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Accrual Basis

Rio Linda Elverta Community Water District
Balance Sheet
 As of September 30, 2019

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10005 · Operating Fund-CB&Trust 282,665.35

10020 · Operating Fund-Umpqua 32,163.62

Total 10000 · Operating Account 314,828.97

10475 · Capital Improvement

10480 · General 1,561,621.67

10485 · Vehicle Replacement Reserve 15,000.00

Total 10450 · Capital Improvement 1,576,621.67

Total 100 · Cash & Cash Equivalents 1,891,450.64

102 · Restricted Assets

102.1 · Restricted Capital Improvements

10700 · ZIONS Inv/Surcharge Reserve 507,807.92

Total 102.1 · Restricted Capital Improvements 507,807.92

102.2 · Restricted for Debt Service

10300 · Surcharge 1 Account 686,873.37

10325 · Community Business Bank 5,818.96

10350 · Umpqua Bank Debt Service 89,744.46

10380 · Surcharge 2 Account 239,984.70

10385 · OpusBank Checking 3,200,026.28

Total 102.2 · Restricted for Debt Service 4,222,447.77

102.4 · Restricted Other Purposes

10600 · LAIF Account 205,495.39

10650 · Operating Reserve Fund 300,802.29

Total 102.4 · Restricted Other Purposes 506,297.68

Total 102 · Restricted Assets 5,236,553.37

Total Checking/Savings 7,128,004.01

Accounts Receivable 6,731.51

Other Current Assets

12000 · Water Utility Receivable 685,316.02

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 2,616.28

15000 · Inventory Asset 56,276.61

16000 · Prepaid Expense 89,056.89

Total Other Current Assets 833,265.80

Total Current Assets 7,968,001.32

Fixed Assets

17000 · General Plant Assets 727,153.00

17100 · Water System Facilities 20,760,310.67

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -9,282,773.19

18000 · Construction in Progress 1,313,099.20

18100 · Land 576,673.45

Total Fixed Assets 14,467,506.55

Other Assets

19000 · Deferred Outflows 262,764.00

19900 · Suspense Account 0.00

Total Other Assets 262,764.00

TOTAL ASSETS 22,698,271.87

Accrual Basis

Rio Linda Elverta Community Water District
Balance Sheet
As of September 30, 2019

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	71,412.27
Credit Cards	60.00
Other Current Liabilities	564,053.31

Total Current Liabilities 635,525.58

Long Term Liabilities

23000 · OPEB Liability	211,573.00
23500 · Lease Buy-Back	705,797.27
25000 · Surcharge 1 Loan	4,189,831.90
25050 · Surcharge 2 Loan	3,210,040.16
26000 · Water Rev Refunding	1,952,591.00
27000 · Community Business Bank	294,204.88
29000 · Net Pension Liability	987,630.00
29500 · Deferred Inflows-Pension	5,192.00
29600 · Deferred Inflows-OPEB	26,811.00

Total Long Term Liabilities 11,583,671.21

Total Liabilities 12,219,196.79

Equity

31500 · Invested in Capital Assets, Net	7,681,067.46
32000 · Restricted for Debt Service	702,232.24
38000 · Unrestricted Equity	1,674,622.00
Net Income	421,153.38

Total Equity 10,479,075.08

TOTAL LIABILITIES & EQUITY 22,698,271.87

Accrual Basis

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
 As of September 30, 2019

	<u>Annual Budget</u>	<u>Sept 19</u>	<u>Jul 19-Sept 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,714,575.00	393,599.15	720,629.38	26.55%	1,993,945.62
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	876.36	945.10	236.28%	-545.10
Surcharge Total 41110 · Investment Revenue	400.00	876.36	945.10	236.28%	-545.10
41120 · Property Tax	81,856.00	0.00	2,117.03	2.59%	79,738.97
Total 41000 · Nonoperating Revenue	82,256.00	876.36	3,062.13	3.72%	79,193.87
Total Income	2,796,831.00	394,475.51	723,691.51	25.88%	2,073,139.49
Gross Income	2,796,831.00	394,475.51	723,691.51	25.88%	2,073,139.49
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	170,731.00	6,410.50	12,529.84	7.34%	158,201.16
60100 · Personnel Services					
60110 · Salaries & Wages	711,238.00	57,380.00	147,016.30	20.67%	564,221.70
60150 · Employee Benefits & Expense	456,863.00	34,687.09	97,837.97	21.42%	359,025.03
Total 60100 · Personnel Services	1,168,101.00	92,067.09	244,854.27	20.96%	923,246.73
60200 · Administration	224,313.00	18,798.74	70,959.83	31.63%	153,353.17
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	492,200.00	39,251.31	131,131.33	26.64%	361,068.67
Total 60000 · Operating Expenses	2,055,645.00	156,527.64	459,475.27	22.35%	1,596,169.73
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	139,015.00	0.00	0.00	0.00%	139,015.00
69110 · Interest	61,717.00	0.00	0.00	0.00%	61,717.00
Total 69100 · Revenue Bond	200,732.00	0.00	0.00	0.00%	200,732.00
69125 · AMI Meter Loan					
69130 · Principle	48,281.00	0.00	23,954.67	49.62%	24,326.33
69135 · Interest	10,233.00	0.00	5,302.29	51.82%	4,930.71
Total 69125 · AMI Meter Loan	58,514.00	0.00	29,256.96	50.00%	29,257.04
Total 69010 · Debt Service	259,246.00	0.00	29,256.96	11.29%	229,989.04
69400 · Other Non-Operating Expense	2,000.00	0.00	-3.14	-0.16%	2,003.14
Total 69000 · Non-Operating Expenses	261,246.00	0.00	29,253.82	11.20%	231,992.18
Total Expense	2,316,891.00	156,527.64	488,729.09	21.09%	1,828,161.91
Net Ordinary Income	479,940.00	237,947.87	234,962.42		
Net Income	479,940.00	237,947.87	234,962.42		

Accrual Basis

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2019-20
 As of September 30, 2019

	GENERAL		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
BEGINNING FUND BALANCE	\$ 1,903,391.00	\$ 1,903,391.00	\$ (29,592.00)	\$ (29,592.00)	\$ 10,000.00	\$ 10,000.00
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	409,940.00	102,000.00	-	-	-	-
CIP Fund Intrafund Transfers	(5,000.00)	(5,000.00)	-	-	5,000.00	5,000.00
Surcharge 2 Surplus Repayment	-	-	110,201.00	-	-	-
Contributed Funding						
Contributed Facilities (Developers)	-	-	-	-	-	-
Grant Revenue	-	-	516,500.00	-	-	-
Loan Proceeds	-	-	2,033,500.00	-	-	-
Investment Revenue	350.00	588.97	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,308,681.00	2,000,979.97	2,630,609.00	(29,592.00)	15,000.00	15,000.00
PROJECTS						
A · WATER SUPPLY						
A-1 · Well XX - Cr6 Treatment/Design	-	-	50,000.00	-	-	-
A-2 · Well 16	-	-	2,500,000.00	-	-	-
A-3 · Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-
Total A · WATER SUPPLY	40,000.00	-	2,550,000.00	-	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	-	-	-	-	-
B-2 · Large Meter Replacements	5,000.00	-	-	-	-	-
Total B · WATER DISTRIBUTION	35,000.00	-	-	-	-	-
C · CONTINGENCY						
C-1 · Contingency (10% of Est A,B,& M)	7,500.00	-	255,000.00	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	82,500.00	-	2,805,000.00	-	-	-
ENDING FUND BALANCE	\$ 2,226,181.00	\$ 2,000,979.97	\$ (174,391.00)	\$ (29,592.00)	\$ 15,000.00	\$ 15,000.00

Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
 July - September 2019

11

	<u>Annual Budget</u>	<u>Jul-Sept 19 Current QTR</u>	<u>Jul-Sept 19 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	500.00	495.39	495.39	99.08%	4.61
	<u>500.00</u>	<u>495.39</u>	<u>495.39</u>	<u>99.08%</u>	<u>4.61</u>
44100 · Capacity Fee Revenue	40,000.00	82,148.01	82,148.01	205.37%	-42,148.01
Total Income	<u>40,500.00</u>	<u>82,643.40</u>	<u>82,643.40</u>	<u>204.06%</u>	<u>-42,143.40</u>
Gross Income	<u>40,500.00</u>	<u>82,643.40</u>	<u>82,643.40</u>	204.06%	-42,143.40
Net Income	<u>40,500.00</u>	<u>82,643.40</u>	<u>82,643.40</u>		

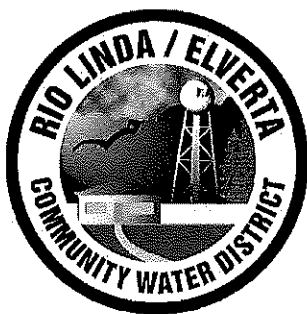
**Rio Linda Elverta Community Water District
 Surcharge 1 Profit & Loss Budget Performance
 July - September 2019**

	<u>Annual Budget</u>	<u>Jul-Sept 19 Current QTR</u>	<u>Jul-Sept 19 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	1,200.00	901.17	901.17	75.1%	298.83
41112 · Interest Revenue	6,800.00	3,039.73	3,039.73	44.7%	3,760.27
41113 · Market Value Adjustmen	0.00	1,895.50	1,895.50	100.0%	-1,895.50
	<u>8,000.00</u>	<u>5,836.40</u>	<u>5,836.40</u>	72.96%	2,163.60
43010 · Surcharge 1 Revenue	523,374.00	115,644.37	115,644.37	22.1%	407,729.63
Total Income	<u>531,374.00</u>	<u>121,480.77</u>	<u>121,480.77</u>	<u>22.86%</u>	<u>409,893.23</u>
Gross Income	531,374.00	121,480.77	121,480.77	22.86%	409,893.23
Expense					
69150 · Surcharge (SRF)					
69155 · Principle	351,403.00	0.00	0.00	0.0%	351,403.00
69160 · Interest	109,952.00	0.00	0.00	0.0%	109,952.00
69170 · Admin Fees	2,100.00	505.76	505.76	24.08%	1,594.24
Total 69150 · Surcharge (SRF)	<u>463,455.00</u>	<u>505.76</u>	<u>505.76</u>	<u>0.11%</u>	<u>462,949.24</u>
Total Expense	<u>463,455.00</u>	<u>505.76</u>	<u>505.76</u>		
Net Income	<u>67,919.00</u>	<u>120,975.01</u>	<u>120,975.01</u>		

Accrual Basis

**Rio Linda Elverta Community Water District
Surcharge 2 Profit & Loss Budget Performance
July - September 2019**

	<u>Annual Budget</u>	<u>Jul-Sept 19 Current QTR</u>	<u>Jul-Sept 19 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	20.00	205.32	205.32	1,026.6%	-185.32
	<u>20.00</u>	<u>205.32</u>	<u>205.32</u>	<u>1,026.6%</u>	<u>-185.32</u>
43050 · Surcharge 2 Revenue	439,019.00	96,167.50	96,167.50	21.91%	342,851.50
Total Income	<u>439,039.00</u>	<u>96,372.82</u>	<u>96,372.82</u>	<u>21.95%</u>	<u>342,666.18</u>
Gross Income	439,039.00	96,372.82	96,372.82	21.95%	342,666.18
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	210,000.00	105,000.00	105,000.00	50.0%	105,000.00
69185 · Interest	118,818.00	9,389.24	9,389.24	7.9%	109,428.76
Total 69175 · Surcharge 2 Loan	<u>328,818.00</u>	<u>114,389.24</u>	<u>114,389.24</u>	<u>34.79%</u>	<u>214,428.76</u>
Total Expense	<u>328,818.00</u>	<u>114,389.24</u>	<u>114,389.24</u>		
Net Income	<u>110,221.00</u>	<u>-18,016.42</u>	<u>-18,016.42</u>		



**Items for Discussion and Action
Agenda Item: 3.4**

Date: November 18, 2019

Subject: Consider Approving Minor Revision to the Payroll Administration Policy in the Personnel Handbook.

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommended the Board approve the proposed revisions to the Payroll Administration Policy and further recommended the item be placed on the Consent Calendar.

Current Background and Justification:

The MOU negotiations and other employee -employer dialog regarding alternative work schedules (e.g. 9/80s) over more than the past year have now reached implementation stage. The current Payroll Administration Policy in the Personnel Handbook is inconsistent with the 9/80 schedule and transitioning from semi-monthly to biweekly pay periods. It is questionable as to whether the entire Payroll Administration Policy is even necessary and/or requires a Board action to modify. Regardless, leaving the Payroll Administration Policy as-is would be the least appropriate choice.

Conclusion:

I recommend the Board approve the revisions to the Payroll Administration Policy in the Personnel Handbook.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

**Proposed Clarification to Payroll Administration Section
Relevant to the transition to alternative work schedules.**

SECTION I PAYROLL ADMINISTRATION

Employee Self-Service

Employees can access their payroll and accrued sick and vacation leaves at ViewMyPaycheck gives employees 24/7 online access to their own paycheck information Contact the Accounting Specialist for details. ~~Employees can simply sign in to their ViewMyPaycheck account and see any current or prior pay stubs.~~

Time Sheets

You are required to keep an accurate record of your time on the forms provided by RLECWd. All timecards or time sheets must be completed in black or blue ink. Under no circumstances is an employee allowed to enter time in or out for another employee. Employees may correct information by lining out (single line, no write overs and no scribbling) incorrect information, entering the correct information, initialing and dating the change (see example below)

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT					
NON-EXEMPT EMPLOYEE TIME SHEET					
Pay Date: 11/21/19		Payroll Period: 11/3/19 -11/16/19			
A.J. Squaredaway					
Total Regular Hours	Regular Hours		Leave Hours Detail		
	55 54		S = Sick	H = Holiday	C = Compassionate
Total Leave Hours	Leave Hours				
	35		V = Vacation	PH = Personal Holiday	J = Jury
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Regular Hours	Leave Hours	Leave Code	
1	16	8			
2	17	8			
3	18				
4	19				
5	20	3		5	S
6	21	8		2	S
7	22	8			
8	23	8			
9	24			8	V
10	25				
11	26				
12	27			8	V
13	28	8			
14	29	4		4	S
15	30			8	S
	31				
Total Hours		55	0	35	

If the employee is unavailable and there is a need to make a correction to a time sheet, the employee's manager/immediate supervisor should be consulted and is authorized make the needed corrections. Managers must follow the same procedure in making corrections by: lining out the incorrect information, entering the correct information, and initialing and dating the change.

~~The use of time sheets insures proper cost accounting. Exempt and non-exempt employees fill out separate forms. You must submit signed time sheets on the 16th and the 1st day of the month. Time sheets should be completed in a neat and orderly fashion so that all entries are easily read. Vacation, sick leave, standby pay and holiday time must be entered on the time sheet.~~

Payment of Wages and Salaries

~~Except for employees being terminated, pay periods are the 1st thru the 15th and the 16th through the last day of the month. All wages and salaries shall be paid on the 5th and the 20th of each month; except that biweekly with paydays every other Thursday. when said date falls on Saturday, Sunday or a holiday, payment shall be made on the last working day preceding the usual date. The time of payment, i.e. semi-monthly pay periods may be changed if required to comply with flexible work schedules. Part-time and temporary employees shall be paid the hourly wage indicated on the salary and wage plan. Full-time regular employees shall be paid the semi-monthly salary indicated on the salary and wage plan; except that if a full-time regular employee was not in pay status for part of the semi-monthly pay period, said employee shall be paid hourly for hours worked in that period.~~

Garnishments

A garnishment is a court order requiring the RLECWD to remit a part of the employee's wages to a third party in payment of a just debt. Because garnishments involve the RLECWD in its employees' private financial affairs, it is requested that you handle your finances appropriately.

Payroll Deductions

Deductions from employee's pay shall be made in accordance with prevailing laws, contracts, memorandums of understanding, and administrative rules and procedures established by the General Manager.

State and Federal laws require the RLECWD to make proper deductions on its employee's behalf. Amounts withheld vary according to earnings, marital status, and number of exemptions claimed. Required deductions include Federal income tax, FICA, State income tax, State Disability Insurance (SDI) and PERS.

Direct Deposit

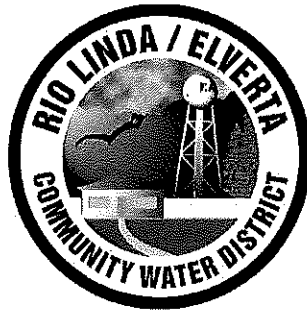
Direct deposit of your paycheck is available. To take advantage of this service, you need to complete the "direct deposit" form available through the Accounting Specialist, attach a voided check and return them to the Accounting Specialist for processing. Direct deposit is also available through a debit card account if you prefer this option.

Changing your Employee Information

Your current address and phone number are essential for many purposes. These changes should be noted in writing or via email as soon as possible. You are solely responsible to notify the Accounting Specialist of changes in your personal status including, but not limited to:

Deferred Compensation

When you make any changes that affect the amount of money deducted from your paycheck, it is your responsibility to give a copy of the paperwork to the Accounting Specialist so that changes can be made to your paycheck



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

Date: November 18, 2019
Subject: General Manager's Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

The General Manager will provide a written report of District activities over the period since the last regular Board meeting. The Board may ask for clarifications and may also provide direction in consideration of the reported activities.

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.1

Date

Initial Potential Meeting Date

11/18/19

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

GM Report

N/A

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

N/A

Actual Meeting Date Set for Agenda Item

11/18/19



Date: November 18, 2019

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: a personnel matter dominated my time for much of the reporting period. I experienced more demands for time in coordinating the completion of the Well #16 Pumping Station bid specifications. Obviously, I am fulltime (plus), but I am coordinating with three contract agencies, EKI, Churchwell White, and Domenichelli. The contract agencies have other clients and their schedules to not always align with one another and the District.

1. On Nov 6th I met with Kent Hodgkinson of American Water. This is the second meeting over the past several months. Kent and I have been discussing progress on RiverArc and other similar joint agency projects aimed at new surface water treatment facilities.
2. On Nov 8th Ron Cannizzaro of Teamster Local 150 responded to my request for a meet and confer process to discuss the Ops Foreman position description and several policy revisions. The meet and confer session is scheduled for Nov. 18th.
3. Nov 12th Staff and I participated in another Management/Employee Retention Advisory Committee. One of the topics discussed was the timing of a written report to the Board.
4. On Nov 13th, I attended the RWA Regional Water Bank Phase 1 meeting. The meeting was well attended and the update provided included successful funding support, which will ultimately reduce the Phase 1 costs for each agency..
5. On Nov 14th, morning, I will attend the RWA regular Board meeting with Director Gifford.
6. On Nov 14th afternoon I will attend a RWA agencies GM facilitated meeting to discuss regional communications. Apparently, there is some concern about RWA member agencies conveying messages that are inconsistent with the RWA regional vision:

The transition to biweekly pay periods and 9/80s schedules has gone relatively smoothly. Nevertheless, it is a change and change can be somewhat disruptive in the beginning until we find our new routine. The early indications of the GPS tracking is that the monthly charge will be offset by a savings in fuel costs.



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

Date: November 18, 2019
Subject: District Engineer's Report
Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

The District Engineer will provide a written report to the Board of Directors on engineering activities since the previous monthly meeting. The Board may ask for clarifications and may also provide direction in response to the report.

Conclusion:

There is no Board action anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green____ Gifford____ Reisig____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.2

Date

Initial Potential Meeting Date

11/18/19

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

District Engineer's Report

Staff Work Completed

N/A

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

N/A

Actual Meeting Date Set for Agenda Item

11/18/19

14 November 2019

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 18 November 2019 Board of Directors Meeting (EKI Project No. B800130.00)**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 18 October 2019 to 14 November 2019:

1. General District Engineering:

- Development Plan Review:
 - 6221 16th Street (Phase 2) Development – Reviewed a development plan to install a new 2" water meter for the second phase of the development. Provided comments to the Operations Superintendent for issuance to the developer.
 - Electric Avenue Development – Reviewed a development plan to install 905 feet of 8" water main and 7 new water meters for a proposed 7 residential lot development on the east side of Electric Avenue between Cypress Street and Elverta Road.
- Capital Improvement Project (CIP) List:
 - Developed per foot cost estimates for pipe replacement.
 - Meeting with the Operations Superintendent on 11/15/2019 to finalize additional pipeline projects to be included in the CIP and recommended for replacement.
- Large Meter Accuracy Checks at Groundwater Pumping Stations:
 - Coordinated with potential vendors for flow meter testing equipment.
 - Meeting with the Operations Superintendent on 11/15/2019 to discuss costs and sequencing of flow meter testing to be performed at Wells 15, 2A, and 12 during non-peak usage months during the winter.

2. Well 16 Pumping Station Equipping and Site Design Project:

- Prepared and presented a "Notice to Contractors" document to the Executive Committee on 11/4/2019 and received direction to forward an agenda item to the November Board of Directors Meeting requesting authorization to advertise the project to received construction bids.
- Coordinated with the design consultant and General Manager to compile Bid Set Design Plans and Specifications.

- A request is anticipated to be made (under a separate agenda item) for the District Board of Directors to authorize that the Well 16 Project be advertised to receive construction bids at the November 18th Board of Directors Meeting.

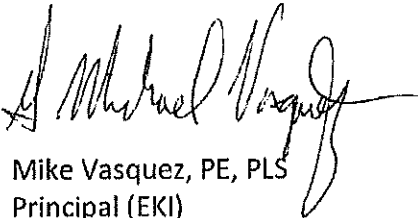
3. Well 16 Proposition 84 RWA/DWR \$505K Grant Agreement:

- An updated quarterly report with a new project work scope, schedule, and budget for the period of 6/1/2019 to 8/31/2019 was prepared and submitted to the Regional Water Authority.

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

Very truly yours,

EKI ENVIRONMENT & WATER, INC.



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



Items for Discussion and Action

Agenda Item: 4.3

Date: November 18, 2019

Subject: Consider Approving the Bid Specifications for Well #16 Pumping Station and Authorizing Solicitation of Bids

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommended the Board approve the Well #16 Pumping Station bid specifications and authorize solicitation of bids.

Current Background and Justification:

The Well 16 project design is complete and ready for the bid process. The invitation to bid and contract documents were delayed in preparation by Engineers and review by Legal Counsel.

The bid specification documents include several declarations, provisions disclaimers and general conditions. If the District were to adopt all of these documents as District documents, all of these documents would need to be reviewed by Legal Counsel and approved by the Board. At larger Public Agencies, e.g. Regional Sanitation, the page count for the construction text documents is approximately 400-pages. My review of the District's past sealed-bid public works projects reflects that the District may not have substantively complied with this process.

The Contract District Engineer and the Design Engineer (Domenicheli) prepared the documents for Legal Counsel review, but the documents were excessively long, still not up to date for current statutes, and would have generated considerable billable hours by legal counsel to review and identify all the changes needed. Hence, the Board was unable to consider approving the bid specifications at the Oct. 21st meeting.

Many public agencies in our region conduct a sealed bid process by incorporating by reference the Sacramento County Construction Specifications into their invitations for bid and construction contract documents. The incorporation by reference eliminates redundant Legal Counsel reviews and has become somewhat a standard practice due to the comprehensiveness and cost effectiveness. The Sacramento County Construction Specifications can be obtained and downloaded at:

<http://www.saccountyspecs.saccounty.net/Pages/2016.aspx>

The entire bid specifications including design drawings and the above described voluminous text documents are not easily copied, distributed and posted. Accordingly, copies of the entire bid specification can be viewed at the District office, 730 L Street, Rio Linda, CA and online at www.RLECWD.COM.

Conclusion:

I recommend the Board approve the bid specifications for Well #16 Pumping Station and further authorize solicitation of bids.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date11/18/19

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

Consider Approving the Bid Specifications for Well #16 Pumping Station and Authorizing Solicitation of
Bids

11/01/19**Staff Work Completed**

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

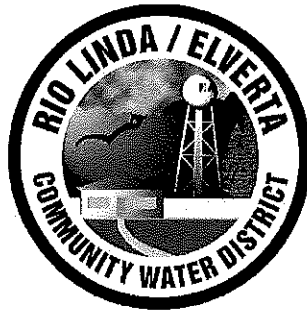
Committee Review of Item and Staff Work11/04/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

11/14/19**GM Review**11/14/19**Actual Meeting Date Set for Agenda Item**11/18/19



Items for Discussion and Action Agenda Item: 4.4

Date: November 18, 2019

Subject: Consider approving Resolution 2019-09 to revise the fee charged for Non-Sufficient Funds (NSF) checks and establishing a fee for declined Automated Clearing House (ACH) payments

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommended the Board approve the revision to the District fee for Bank Declined Payments and further directed staff to prepare a Resolution to revised Exhibit 5 or Ordinance 2013-01.

Current Background and Justification:

Ordinance 2013-1 establishes (among other fees) a fee assessed to customers for Non-Sufficient Funds (NSF) on a returned check. Because the District did not offer Automated Clearing House (ACH) payment methods in 2013, there is no fee listed for Non-Sufficient Funds in an ACH payment.

Pursuant to the California Constitution and Proposition 26, there must be a reasonable relationship between the fee charged and the cost of providing the service. The fee the District charges for NSF returned checks and declined ACH payments should be equal to the charge the District receives from the Bank plus the staff time consumed in providing the notifications to the Customers and any billing software data entries required by staff in response to the NSF condition.

There is no current cost of service analysis associated with the current charge for NSF returned checks. Our current bank, Umpqua charges approximately \$5 for each NSF returned check or NSF declined ACH transaction. The District needs to perform a cost of service analysis for returned checks and declined ACH transactions. We know the bank charges, and staff performed time tracking for each returned check and declined ACH transaction. This protocol followed is the same performed for Resolution 2019-06 for revising the Service Application Fee.

Conclusion:

I recommend the Board adopt Resolution 2019-09 to revise Exhibit 5 of Ordinance 2013-01.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

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

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

11/18/19

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

Consider approving Resolution 2019-09 to revise the fee charged for Non-Sufficient Funds (NSF) checks and establishing a fee for declined Automated Clearing House (ACH) payments

11/01/19

Staff Work Completed

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

Committee Review of Item and Staff Work

11/04/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

N/A

GM Review

11/14/19

Actual Meeting Date Set for Agenda Item

11/18/19

RESOLUTION NO. 2019-09

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ ELVERTA
COMMUNITY WATER DISTRICT TO AMEND EXHIBIT 5 SERVICE FEES AND
CHARGES OF ORDINANCE 2013-01
Bank Declined Payments Fee**

WHEREAS, pursuant to California Constitution, Article XIII D, the Rio Linda Elverta Community Water District Board of Director approved Ordinance 2013-01 on October 21, 2013, and

WHEREAS, Exhibit 5 of Ordinance 2013-01, Service Fees and Charges includes a fee for District processing of payments made with returned checks, Non-Sufficient Funds (NSF), and

WHEREAS, a similar fee is now necessary and appropriate for processing payments from customers using the Automated Clearing House (ACH) payment method where the transaction is declined by the customers' banks, and

WHEREAS, the reasonable relationship between the District's cost of processing NSF checks and declined ACH payments and the fee established in Exhibit 5 of Ordinance 2013-01 has been evaluated to correspond with current bank charges to the District and the average staff time expended per declined payment transaction, and

WHEREAS, an internal study of the current time and cost expended for NSF check payments and declined ACH payments have been completed, which supports a decrease in the fee amount currently being charged for returned checks NSF.

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

1. The "Returned Check NSF Fee" in Exhibit 5 of Ordinance 2013-01 shall be modified to read "Customer Bank Declined Payments (returned checks and declined ACH transactions)".
2. The fee for Customer Bank Declined Payment transactions shall be adjusted from the current fee of \$25. The new fee shall be \$20 for each occurrence.
3. The effective date of the changes will be December 19, 2019.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 18th day of November 2019. By the following vote:

AYES: .
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

John Ridilla
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors

DRAFT

EXHIBIT 5

SERVICE FEES AND CHARGES

The water service charges identified in §4.31.210(B) of the Water System Regulations shall be modified as follows:

<u>Description of Fee or Charge</u>	<u>Code Section*</u>	<u>Fee or Charge Rate</u>
Service Application – Existing Connection ¹	§4.07.710	\$25.00 per location up to two meters when requested at the same time by the same customer; \$10.00 each additional meter.
Service Application – New Service Installation Required	§4.07.710 §4.07.015	\$100.00 per location with \$30.00 credited toward Service Application, if Service is initiated within 180 Days. Commercial, Industrial and Residential projects over Four (4) units will be charged on a Time & Material Basis.
Service Turn-off/Turn-on by District due to violation of Policy or Nonpayment during regular billing cycle	§4.07.810 §4.31.220 (C)	\$40.00
Turn-off Notice Tag	§4.31.250 §4.31.285	\$40.00
Customer Requested Temporary Turn-off/Turn-on	§4.07.840	\$40.00 (\$20.00 each), One-time Fee waiver for Installation of Gate Valve
Turn-off & Turn-on for Meter Tampering	§4.07.830	\$100.00
Removal of Meter & Reinstall due to Tampering	§4.07.830	\$200.00
Additional Charge for Service after Business Hours	§4.07.840 §4.09.210 (2)	\$50.00
Backflow Program and Annual Testing	§4.09.230	\$8.33 Bi-monthly; Replacement of Device at owners' expense. Time and Material for District Installations.
Penalty for Violation Conservation Policy (Third Violation)	§4.14.250 B-3	\$75.00
Service Termination for Conservation Violation (fourth, or more)	§4.14.250 B-4	\$125.00 plus \$30.00 Turn-on Fee when service is reinstated
Water Service Account Deposit	§4.07.710 §4.31.220	\$100.00. Waived on showing of Good Credit

<u>Description of Fee or Charge</u>	<u>Code Section*</u>	<u>Fee or Charge Rate</u>
Additional copy of billing	Resolution 2013-07	\$1.00
Late Charge	§4.31.230 §4.31.280	\$5.00
Basic Water Sample Lab Test – Private well, sample provided	Misc. Charge	\$60.00
Basic Water Sample Lab Test – private well, District samples	Misc. Charge	\$125.00
Basic Water Sample Lab Test – District water customer	Misc. Charge	\$45.00
Specialized Water Sample Lab Test	Misc. Charge	Time and Materials, plus 10% markup of Lab Fee
Service Turn-off/Turn-on for nonpayment (out of billing cycle)	§4.31.285	\$40.00
Property Lien Fee for recording uncollected charge	§4.31.290 §4.31.295	\$75.00
Bank Declined Payment (NSF checks or ACH declined transaction) ²	§4.31.295	\$20.00
Turnoff Notice for Returned Check	§4.31.295	\$40.00
Referral to Collection Agency	§4.31.295	50% of Balance Due
Removal of Meter including Re-installation	§4.31.295	\$200.00
Meter Test Charge	§4.31.310	\$75.00, Fee Waived if > 2% fast (includes meter removal/reinstallation)
Meter Re-reads	§4.31.320	\$20.00 per Re-read (each request subject to charge), waived if original read is wrong.
Plan Check, Testing, Inspection and Other Service Fees	Code Section*	Charge Rate
District Staff and/or Contracted Engineering, Inspection, Legal and other Administrative & Professional Services when provided on a cost estimated basis. Equipment, equipment rental and materials not covered by fees in this ordinance.	§4.07.030 & Resolution No. 3-94	Time & Materials, plus 5% surcharge on contract work. Rental equipment and materials, actual cost, plus a 10% surcharge. Backhoe - \$95.00 per hour, Dump Truck - \$70.00 per hour, Pickup Truck - \$75.00 per hour, plus \$0.50 per mile driven.
Fire Hydrant Flow Test & Letter	§4.21.110	\$200.00

<u>Description of Fee or Charge</u>	<u>Code Section**</u>	<u>Fee or Charge Rate</u>
District Personnel Services		Time & Material Labor Rate
Management and Supervisory Personnel	§4.07.030 Time & Material Work	\$150.00 per hour
Field Personnel	§4.07.030 Time & Material Work	\$60.00 per hour, \$90.00 per hour after-hours/overtime
Clerical Personnel	§4.07.030 Time & Material Work	\$70.00 per hour, \$105.00 per hour after-hours/overtime
Contractors, Engineers and other professional, technical, legal and administrative providers hired by the District	§4.07.030 Time & Material Work	Time & Materials, plus a 5% fee for District Administration and overhead

* Reflects Code Section in Title 4 "Water System Regulations"

Note 1: Revised May 20, 2019, Resolution 2019-06

Note 2: Revised November 18, 2019 Resolution 2019-09

Rio Linda Elverta Community Water District
Customer Service Tech 1 Cost per Hour
 July 2019 through Oct 2019

	<u>Customer Service Tech</u>		<u>Hourly Rate</u>	
	<u>Hours</u>	<u>Jul '19 - Sep 19</u>	<u>Hours</u>	<u>Jul '19 - Sep 19</u>
Employee Wages, Taxes and Adjustments				
Total Gross Pay	521.00	13,444.27	521.00	25.8047
Employer Taxes and Contributions				
Medicare Company		199.01		0.3820
Social Security Company		850.93		1.6333
CA - Unemployment Company*		50.75		0.0974 1/4th of annual amount
457(b) Employer Contribution		403.33		0.7741
Dental Insurance (company paid)		264.06		0.5068
Health Ins WH (company paid)		3,005.70		5.7691
PERS PEPRER Rate		933.42		1.7916
Vision Insurance (company paid)		48.84		0.0937
Workers Compensation		59.82		0.1148
CA - Employment Training Tax		1.75		0.0034 1/4th of annual amount
Total Employer Taxes and Contributions		<u><u>5,817.61</u></u>		<u><u>36.97</u></u>
Hourly Staff Time to Process NSF Checks/ACH				0.2500
Total Employee Cost per Application			\$	9.24
Cost for Supervision			\$	2.00
Facilities Cost			\$	3.00
Bank Charge			\$	5.00
Total Approximate Costs			\$	19.24



Items for Discussion and Action

Agenda Item: 4.5

Date: November 18, 2019

Subject: Consider Approving Revisions to Distribution Operator 3/Foreman Position Description and Pay Scale.

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommended the Board approve the proposed revisions to the Distribution Operator 3/Foreman (Operations Foreman) position description and pay scale.

Current Background and Justification:

At the October 7th Executive Committee, the Committee reviewed and discussed the staff report, then forwarded this item onto the October 21st Board agenda. Unfortunately, due to competing interests and demands for time, the appurtenant documents for Board consideration were not completed in time for the Board agenda posting deadline. The November 4th Executive Committee reviewed the revised position description and associated revised pay scale, then forwarded the item onto the November 18th Board agenda with the Committee's recommendation for Board approval.

The revisions include (but are not limited to) adding the certification for backflow prevention assembly tester to the list of required certifications. Correspondingly, the pay scale is increased in the amount of the current certification incentive. Changing from an incentivized certification to a mandatory minimum certification is an essential change to execute the District's operational mission. The revisions also appropriately remove the term "supervise" from the position description.

The process of updating the Operations Foreman position description and pay scale is subject to meet and confer requirements. Teamster Local 150 has responded to my request for meet and confer, which is scheduled for November 18th at noon. If the District and Teamster Local 150 are able to complete the meet and confer process prior to the Board meeting, the Board will not need the caveat in their motion to approve the revisions, i.e. "subject to completion of meet and confer" my not need to be included in the motion.

Conclusion:

I recommend the Board approve the revisions to the Distribution Operator 3/ Foreman position description and pay scale subject to completion of meet and confer with Teamster Local 150 (if necessary).

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

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

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date

11/18/19

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

Consider Approving Revisions to Distribution Operator 3/Foreman Position Description and Pay
Scale

11/01/19

Staff Work Completed

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

Committee Review of Item and Staff Work

11/04/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

N/A

GM Review

11/14/19

Actual Meeting Date Set for Agenda Item

11/18/19

DISTRIBUTION OPERATOR 3/FOREMAN

General Statement of Duties

Operates and maintains the District water system including the well, treatment, storage, and distribution facilities; prepares reports for regulatory agencies; and performs chemical tests for water quality.

Supervision Received

Works under the general-direct supervision of the Operations Superintendent who reviews work for conformance to established standards and procedures. Works under the supervision of the General Manager when the Operations Superintendent is away.

Supervision Charge Exercised

Supervises-Coordinates and directs work of Distribution System Operators 3, 2, and 1, Utility Workers and Laborers may supervise-direct trainees, part-time or temporary staff as assigned.

Essential Duties and Responsibilities

Is the designated Chief Distribution System Operator when the Operations Superintendent is away.

Operates District water system; makes necessary tests for water quality and adjusts chemical systems as indicated; performs systematic checks electrical systems, pumps, tanks and other system components; maintains operating records as required by law; keeps water system facilities in a clean, neat, and orderly fashion.

Supervises and Evaluates field staff performance.

Installs and maintains pumps, valves, mains, services, meters, and related water distribution facilities and appurtenances.

Operates and maintains vehicles and equipment used in water system construction, including backhoe/front end loader, jackhammer, dump truck, tamper, etc.

Reads water meters; turns services off and on; meets with customers to identify service locations and resolve service problems.

Maintains inventory of chemicals at wells and assures the safe handling of caustic and toxic materials.

Performs routine water quality testing; gathers information for reports needed for regulatory agencies and assures conformance of operations to regulatory standards.

Conducts tours of the District utility system and responds to citizen inquiries regarding water quality or problems with pressure or volume.

Performs duties of Laborer, Utility Worker, Distribution System Operator 1, 2 and 3 as needed.

Performs required labor involved in construction and maintenance projects as part of a crew, including pavement cutting, ditch digging, main and pipe repair, laying and backfilling.

Establish and maintain cooperative working relationships with co-workers, outside agencies and the public.

Supervises, instructs and assists assigned crews in installing and relocating water lines, valves, fire hydrants and meters, and maintaining the existing water supply system.

Responds to or assures the proper response to complaints regarding water quality, leaks, pressure loss or no water; explains findings to property owners if necessary.

Trains and supervises subordinate employees performing the duties of maintenance, construction and operation of the District water system.

Supervises the use of and assumes responsibility for all materials, supplies and equipment used in the maintenance, construction and operation of the District water system; requisitions such materials, supplies and equipment as needed and budgeted; insures that all necessary materials, supplies and equipment are available by maintaining an inventory of parts and materials and obtaining necessary parts, tools and supplies from the store room.

Peripheral Duties

Operates and performs regular routine maintenance on equipment used in water system, including vehicles and other equipment.

Serves on various employee or other committees as assigned.

Performs on call and emergency work assignments

~~Desired~~ Minimum Qualifications

Education, Certification and Experience:

Two years experience in the operation and maintenance of a water utility or four years experience in pipeline or other underground construction; possession of a current State Water Resources Control Board Water Distribution Operator Grade III certificate; possession of a valid Backflow Prevention Assembly General Tester, Certificate; possession of a valid Class C California driver's license; graduation from high school; or ~~any equivalent combination of experience, training and certification.~~

Necessary Knowledge, Skills and Abilities:

Familiarity with proper practices in the construction, maintenance and operation of a water utility; familiarity with federal and state regulations regarding water quality control and distribution of potable water; familiarity with pumps, telemetry, and other related water system equipment; ability to operate equipment such as a backhoe, tamper, etc.; ability to work harmoniously with other employees; ability to make decisions independently in accordance with established policy and to use initiative and judgment in carrying out tasks and responsibilities with only general instruction and guidance; ability to use tact and judgment when dealing with the public; ability to lift heavy objects and perform sustained manual work.

Special Requirements

~~Must be bondable.~~

Must possess a valid driver's license.

Must pass pre-employment physical.

Must pass a drug screening test.

Tools and Equipment Used

Motorized vehicles and equipment, including dump truck, pickup truck, utility truck, backhoe, tamper, saws, pumps, compressors, sanders, generators, common hand and power tools, shovels, wrenches, detection devices, mobile radio, phone, hand-held computer.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to use hands to finger, handle, feel or operate objects, tools, or controls and reach with hands and arms. The employee frequently is required to stand and talk or hear. The employee is occasionally required to walk; sit; climb or balance; stoop, kneel, crouch, or crawl; and smell.

The employee must frequently lift and/or move up to 25 pounds and occasionally lift and/or move up to 100 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee regularly works in outside weather conditions. The employee frequently works near moving mechanical parts and is frequently exposed to wet and/or humid conditions and vibration. The employee occasionally works in high, precarious places and is occasionally exposed to fumes or airborne particles, toxic or caustic chemicals, and risk of electrical shock. The noise level in the work environment is usually loud.

Selection Guidelines

~~Formal application, rating of education and experience; oral interview and reference check; job related tests may be required; driving records will be evaluated; drug screening is mandatory, as is a physical to determine capability to meet the physical demands of the job.~~

General

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job.



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

Date: November 18, 2019

Subject: Consider Approving Minor Revision to the Sick Leave Policy in the Personnel Handbook.

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommended the Board approve the proposed revisions to the Sick Leave Policy.

Current Background and Justification:

There is a sentence in the existing Sick Leave policy that was necessary prior to the MOU renewal. The sentence provided 8-hours of sick leave to first-day new employees to comply with the California Labor Code. The previous 48-hours of sick leave per year accrual rate did not comply with code. Now that the new MOU provides 96-hours per year of sick leave accrual, the 8-hour award of sick leave for new employees is unwarranted and unjustified. The sentence needs to be deleted.

Conclusion:

I recommend the Board approve the minor, necessary revisions to the Sick Leave Policy in the Personnel Handbook subject to completion of meet and confer with Teamster Local 150 (if necessary).

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date

11/18/19

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

Consider Approving Minor Revision to the Sick Leave Policy in the Personnel Handbook

11/01/19

Staff Work Completed

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

Committee Review of Item and Staff Work

11/04/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

N/A

GM Review

11/14/19

Actual Meeting Date Set for Agenda Item

11/18/19

Proposed Minor Change to Sick Leave Policy in Personnel Handbook. Deleted sentence obviated by increased sick leave accrual rate in MOU renewal.

Sick Leave

(Amended by Minute Order 9-17-18 and MOU 11-12-18)

Purpose

Sick leave is granted to provide financial security to employees by providing for salary continuation when the employee is unable to work because of illness, injury, or quarantine due to exposure to a contagious disease. In addition, it is granted to allow the employee to maintain his or her health by providing paid leave so that the employee can visit medical practitioners during normal working hours, subject to advance approval. Sick leave is not a privilege that an employee may use at his or her discretion. Administration of sick leave is subject to the applicable provisions of the California Labor Code, Division 2.

Accrual

Regular full-time employees shall accrue sick leave, pro-rata, at a rate of ninety-six (96) hours per year. ~~New employees shall also be credited with 8 hours of sick leave on their first day of employment, or otherwise be credited with sick leave for compliance with California Labor Code, Section 2.~~ No employee may accrue sick leave during such time as the employee is not receiving wages from the District. Sick leave begins to accrue on the first day of employment.

Use

The applicable definitions and requirements for sick leave shall be those provided in California Labor Code, Division 2:

It shall be the responsibility of each employee absent from work to notify his or her immediate supervisor as soon as possible on the first day of absence due to use of paid sick leave.

A written statement from a properly licensed medical professional authorizing the employee's return to work and listing any work restrictions may be required for sick leave absences of 3 or more days. If the medical clearance is required, the General Manager shall notify the employee of his or her requirement to bring a medical clearance to perform normal work duties from a properly licensed medical professional prior to returning to work. The medical clearance shall not provide any description of the medical condition(s) at issue. The medical clearance shall only focus on the employee's ability to perform routine work duties, with or without restrictions.

No employee may accrue more than two hundred forty (240) hours of sick leave. Upon reaching the maximum accrual, sick leave accrual shall cease until the accrual is reduced below the maximum.

Upon retirement or termination from the District, all unused sick leave shall be forfeited, and employee will not be paid for any unused sick leave under any circumstances. If an employee is rehired by the District within 12 months, he or she may reclaim what had been accrued in paid sick leave prior to leaving employment with the District.



Items for Discussion and Action

Agenda Item: 4.7

Date: November 18, 2019

Subject: Consider Approving Guidelines for Biweekly Pay Periods and Alternative Work Schedules.

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommended the Board approve the proposed guidelines and clarifications for alternative work schedules.

Current Background and Justification:

The MOU renewal negotiations process, which concluded with a new MOU in May 2019, included contemplation of alternative work schedules. Specifically, the language included in various sections of the new MOU was inserted to provide flexibility for the anticipated changes associated with alternative work schedules, including but not limited to pay dates, biweekly pay periods, etc.

The proposed new section in the Personnel Handbook, Alternative Work Schedule Guidelines is intended for clarification of infrequent, yet anticipatable circumstances commonly encountered when transitioning to enable alternative work schedules. This should not be at all controversial. The clarifications and guidelines address how observed holidays, paid leave and traditional work schedules integrate with alternative work schedules.

Conclusion:

I recommend the Board approve the new guidelines for alternative work schedules and biweekly pay periods subject to completion of the meet and confer process with Teamster Local 150 (if necessary).

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

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

RLECWD Agenda Item Checklist

Item 4.7

Date

Initial Potential Meeting Date

11/18/19

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

Consider Approving Guidelines for Biweekly Pay Periods and Alternative Work Schedules

11/01/19

Staff Work Completed

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

Committee Review of Item and Staff Work

11/04/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

N/A

GM Review

11/14/19

Actual Meeting Date Set for Agenda Item

11/18/19

ALTERNATIVE WORK SCHEDULES: GENERAL GUIDELINES/CLARIFICATIONS

(Board Approved 11-21-2019)

The following guidelines and clarifications are intended to provide a clear understanding of the integration of alternative work schedules (e.g. 9/80s), where employee scheduled days off may include a weekday, and hours worked may be other than 8-hours per day. These guidelines/clarifications provide direction on compliance with Fair Labor Standards Act (FLSA) requirements, MOU(s) and other District policies for employees opting for alternative work schedules which are deemed compatible with the operational needs of the District.

- Observed holiday- The number of paid hours associated with a paid day off for the observed holiday will be equal to the scheduled hours of work for that day. For example; if the employee is scheduled to work 9-hours on Wednesdays, and July 4th is Wednesday, the employee will be paid for 9-hours.
- Vacation (or other paid leave) deducted- The hours of vacation (or other paid leave) deducted for an absence will be equal to the scheduled hours for that day. For example; if the employee works 9-hours on Thursdays, and the employee calls in sick on Thursday, the employee's sick leave balance will be reduced by 9-hours.
- Observed holiday falls on a scheduled day off -Observed holidays that occur on an employee's day off shall be observed on another workday adjacent to the observed holiday. This is similar to the existing policies and provisions for holidays falling on a weekend day. For example; if the employee's scheduled day off is Friday, July 4th, the employee would observe the paid day off on Thursday, July 3rd. Alternatively, and by coordination between employee and supervisor to meet operational needs, the employee could instead observe Monday, July 7th as the observed holiday.
- Assumption of Standard Work Schedule for Observed Holidays – Existing policies/MOU assumes a regular, Mon-Fri work schedule for determining observed holidays. When the holiday falls on a Saturday, the observed holiday is the preceding Friday. This actual holiday vs. observed holiday translation will continue even if the majority of employees opt for alternative work schedules. This translation will also continue to be used for office closures. For example, if July 4th falls on a Sunday, the Office will be closed on the succeeding Monday.
- The half-day observed holiday – December 24th is an observed half-day holiday. For employees scheduled to work 9-hours on December 24th, the paid time off will be 4.5 hours.
- Paid time off counts as time worked for FLSA compliance



**Items for Discussion and Action
Agenda Item: 4.8**

Date: November 18, 2019

Subject: Comprehensive Annual Financial Report (CAFR)

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee did not review the fiscal year 2018/2019 CAFR because it was not ready for review by the November 4th meeting.

Current Background and Justification:

Due to the nature of the annual report and the interest in not delaying the Board's consideration of approval until the December meeting, I placed the item on the Board's November 18th agenda.

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Green: _____ Gifford: _____ Reisig: _____.

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

RLECWD Agenda Item Checklist

Item 4.8

Date

Initial Potential Meeting Date

11/18/19

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

Comprehensive Annual Financial Report (CAFR)

Staff Work Completed

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

11/15/19

Committee Review of Item and Staff Work

N/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

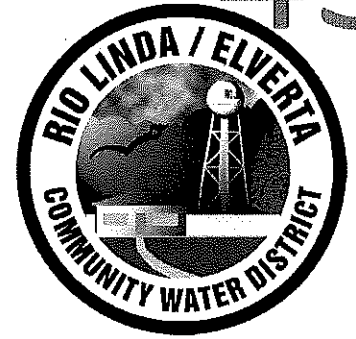
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GM Review

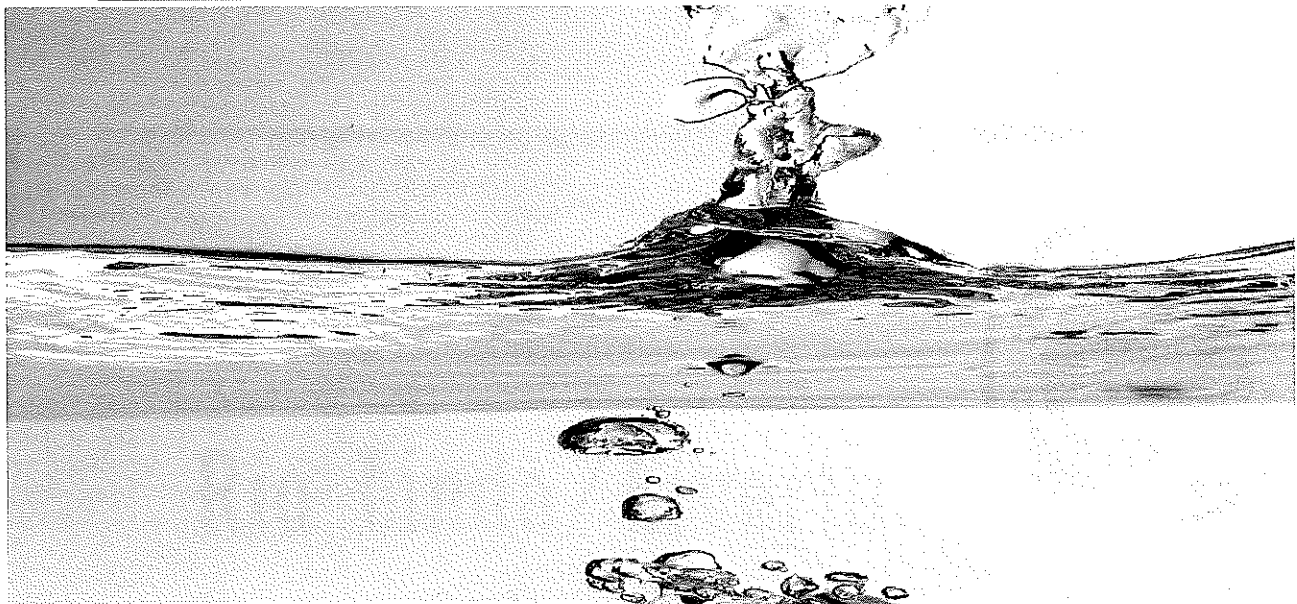
11/15/19

Actual Meeting Date Set for Agenda Item

11/18/19



Rio Linda/Elverta Community Water District



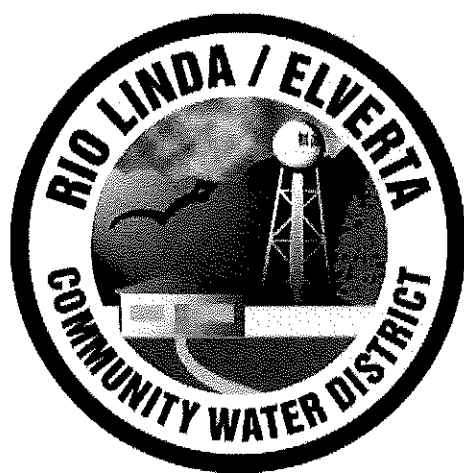
Comprehensive

Annual Financial Report

For the Year Ended July 1, 2018 to June 30, 2019

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**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**



Rio Linda, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**YEAR ENDING
JULY 1, 2018 - JUNE 30, 2019**

Prepared by
Timothy R. Shaw, General Manager

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RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2019

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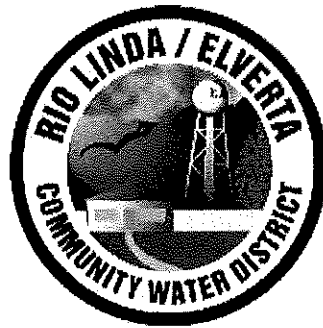
RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2019

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INTRODUCTORY SECTION

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**RIO LINDA/ELVERTA COMMUNITY
WATER DISTRICT**

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

November 18, 2019

The Board of Directors
Rio Linda/Elverta Community Water District

The Rio Linda/Elverta Community Water District hereby submits the Comprehensive Annual Financial Report (CAFR) for the fiscal year end June 30, 2019. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rest with management. To the best of our knowledge and belief the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial positions and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

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

PROFILE OF THE GOVERNMENT

District History and Service Description

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

The District water supply and distribution facilities consist of 12 wells and 62.1 miles of distribution main. From these wells the District pumps approximately 2,700 acre-feet of water annually to its 4,637 customers. The production average is approximately 2.0 million gallons per day (MGD). The overall system capacity is currently 14.4 MGD.

Mission Statement

The District’s mission statement is as follows: “Our Mission is to provide a safe and reliable water supply in a cost-effective manner.”

ECONOMIC CONDITION AND OUTLOOK

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

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

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

Significant Projects and Future Plans

Infrastructure and Water Delivery

With California adoption of a Maximum Contaminant Limit (MCL) for Hexavalent Chromium (Cr6) then subsequent suspension of the Cr6 MCL by the Courts, the District and other water purveyors have been in a holding pattern from some planned mitigation measures. The latest schedule provided by the California Division of Drinking water indicates the stakeholder's workshops to begin the Cr6 MCL economic feasibility will be scheduled for November 2019.

The District has five wells in the District that do not meet the 10-ppb MCL for Hexavalent Chromium. The District will begin construction of a new pumping station (Well #16) with relatively high productivity and water quality, which will enable the District to downgrade its reliance on existing wells which contain Cr6 above the anticipated MCL (if re-adopted). Funding for the Well #16 pumping station is a municipal loan with debt service via Surcharge #2, which was part of the 2016 adopted rate structure.

In September of 2016, the District was awarded Prop 84 funding in the amount of \$530,000 for Well 10 Cr6 Treatment Mitigation. Due to the above described delays in the state re-adoption of the Cr6 MCL, the District applied for and received approval from the grant administrator to reallocate the grant to the Well #16 project.

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

Customer Service and Administration

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

Water Conservation

Conservation is an integral component of the District's projects. Conservation was previously governed by state and federal programs in conjunction with the California Urban Water Conservation Council (CUWCC). However, new mandatory water efficiency legislation adopted by the state has rendered the CUWCC MOU obsolete. The CUWCC MOU has been dissolved. The District, as with all urban water purveyors in California, will shift its conservation efforts to be compliant with the requirements of SB-606 and AB-1668. The District is 100 % metered which aids in the evaluation and monitoring of customer usage. A future rate structure revision may be necessary to implement the minimum water efficiency requirements required by SB-606 and AB-1668.

Regional Planning

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

Financial Information

Internal Control

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

Budgetary Control

The District prepares a budget as a matter of policy and financial control. It is considered a management tool for projecting and measuring revenues and expenses detailing operating expenses, capital infrastructure investments, debt obligations, and designation of reserves. For the year ending June 30, 2019, the Budget was adopted by the Board at the August 20, 2018 public hearing. The following items are reviewed as part of preparing the budget:

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

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

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

Other Information

Independent Audit

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

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

Sincerely,

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



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

BOARD OF DIRECTORS

John Ridilla, President

Mary Harris, Vice-President

Jason Green, Director

Chris Gifford, Director

Robert Reisig, Director

EMPLOYEES

Tim Shaw, General Manager

Pat Goyet, Operations Superintendent

Renita Lehman, Admin. Assistant

Deborah Denning, Accounting Specialist

Kimberly Bassett, Customer Service Tech I

Sara Cater, Conservation Coordinator / C.S. 1

Vincent Vigallon, Dist. System Op 3

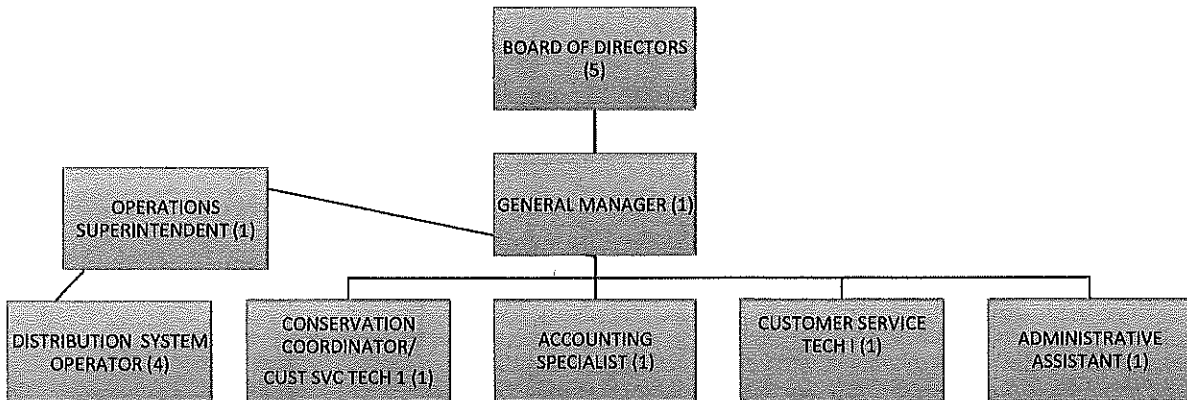
Chris Bell, Dist. System Op 3

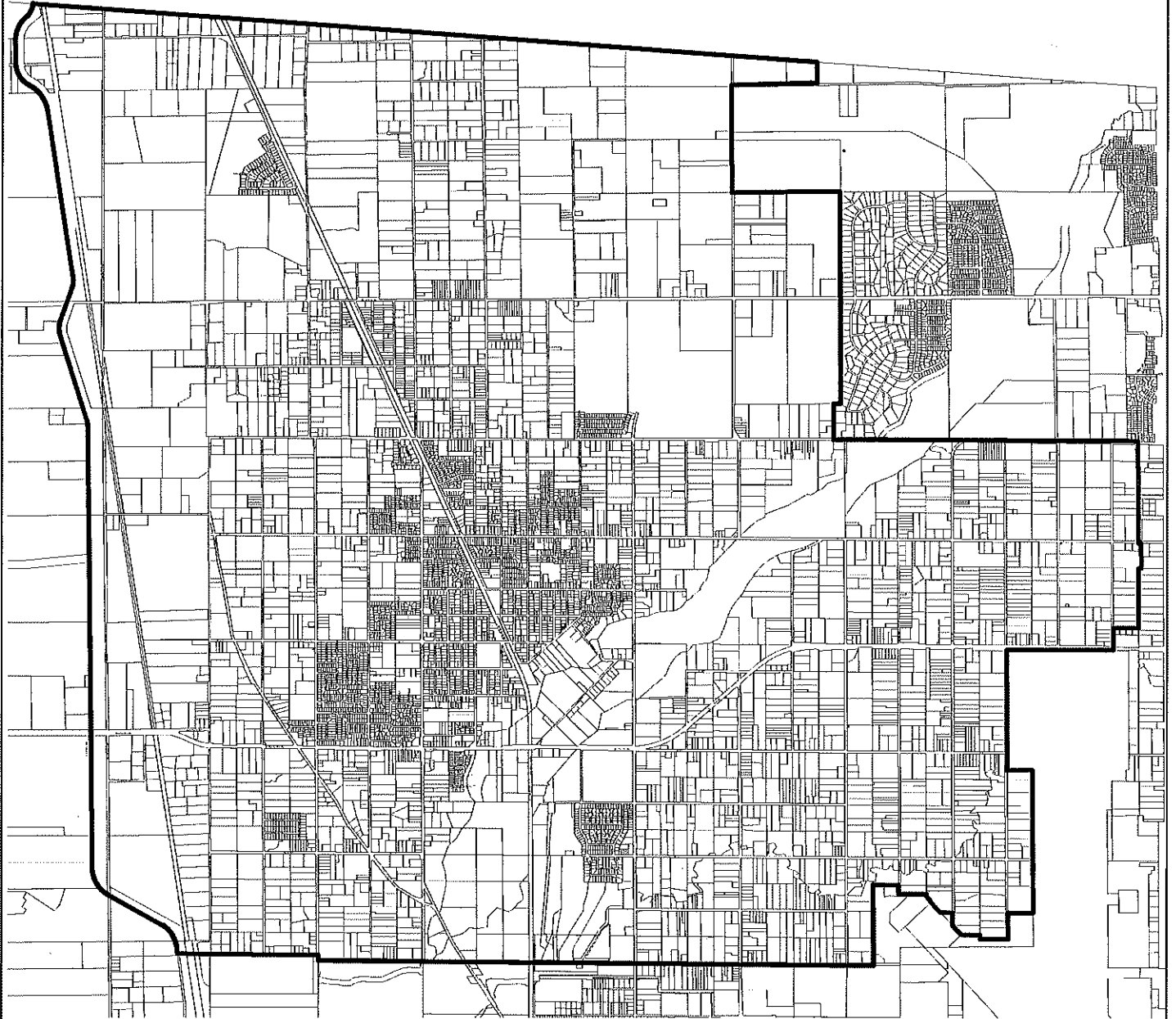
Frank Chacon, Dist. System Op 3

Jamaal Pete, Dist. System Op 1

Rio Linda/Elverta CWD Organization Chart

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

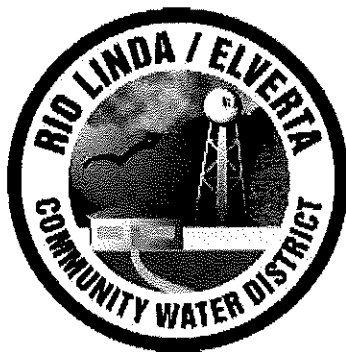
Exhibit A

MAY 2018

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

AFFINITY

ENGINEERING



FINANCIAL SECTION

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Craig R. Fechter, CPA, MST
Scott A. German, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Rio Linda/Elverta Community Water District (the District), which comprise the balance sheet as of June 30, 2019 and 2018, and the related statements of revenues, expenses, changes in net position, and cash flows for the years then ended and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2019, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
Rio Linda/Elverta Community Water District

Other Matters

Required Supplementary Information

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

Other Information

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

Fechter & Company
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs". The signature is written in dark ink and is positioned below the printed name of the firm.

Sacramento, California
October 10, 2019



**MANAGEMENTS'S DISCUSSION
AND ANALYSIS**

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Management's Discussion and Analysis June 30, 2019 and 2018.

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

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

To provide readers with narrative information that may help in understanding and interpreting the information presented in the District's financial statements for the fiscal year ended June 30, 2019 (FY 2018-19).

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

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

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

Financial Highlights

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities during FY 2018-19 and its financial position at the close of FY 2018-19.

- ❖ The District's assets exceeded its liabilities by \$9,827,162 as of June 30, 2019, which is an increase of \$1,270,883 compared to June 30, 2018. Total assets increased by \$496,962 while total liabilities decreased by \$773,921. The deferred outflow and deferred inflows both decreased to \$262,764 and \$32,003 as of June 30, 2019 and 2018, respectively. The District's net investment in capital assets, \$7,681,068, is composed of the capital assets of the District net of related debt – the water transmission and distribution system, water production facilities, land, buildings, and equipment belonging to the District. Unrestricted net assets totaled \$1,674,622, an increase of \$1,032,006 from the end of FY 2017-18.
- ❖ The District's operating revenues were \$2,717,218 and non-operating revenues were \$1,106,120, totaling \$3,823,338. Water sales to customers totaled 67% of all revenues.
- ❖ The District's total net long-term liabilities were \$8,341,628 and includes the Water Revenue Refunding Bond, State Revolving Fund Loan, Water Meter Replacement Loan, Installment Sales Agreement, Unearned revenue, OPEB Liability, and Net Pension Liability.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2019 and 2018

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Statement of Net Position

As of June 30, 2018, the total net position of the District was \$10,052,958. The following table summarizes assets, liabilities and net position at June 30, 2019, 2018, and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current Assets, Unrestricted	\$ 2,916,941	\$ 1,992,373	\$ 2,236,562
Restricted Cash and Cash Equivalents	1,479,705	1,533,974	1,236,183
Capital assets, net	14,473,753	14,847,090	14,435,341
Total Assets	<u>18,870,399</u>	<u>18,373,437</u>	<u>17,908,086</u>
Total Deferred Outflows	<u>262,764</u>	<u>347,606</u>	<u>297,772</u>
Total Assets and Deferred Outflows	<u>19,133,163</u>	<u>18,721,043</u>	<u>18,205,858</u>
Current Liabilities	701,609	618,177	896,306
Long-Term Liabilities	8,341,628	9,198,981	9,050,744
Total Liabilities	<u>9,043,237</u>	<u>9,817,158</u>	<u>9,947,050</u>
Total Deferred Inflows	<u>32,003</u>	<u>41,572</u>	<u>40,436</u>
Total Liabilities and Deferred Inflows	<u>9,075,240</u>	<u>9,858,730</u>	<u>9,987,486</u>
Net Position			
Net investment in capital assets	7,681,068	7,519,910	6,698,923
Restricted debt service reserves	702,233	699,787	699,787
Unrestricted	1,674,622	642,616	819,662
Total Net Position	<u>\$ 10,057,923</u>	<u>\$ 8,862,313</u>	<u>\$ 8,218,372</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Management's Discussion and Analysis
June 30, 2019 and 2018

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

Summary Analysis of Changes	2019 & 2018	2018 & 2017
Total Assets and Deferred Outflows	2.20%	2.83%
Total Liabilities and Deferred Inflows	-7.95%	-1.29%
Total Net Position	13.49%	7.84%

Changes in Net Position

The following table summarizes the changes in net position for the fiscal year ended June 30, 2019, 2018, and 2017:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating Revenues	\$ 2,717,218	\$ 2,637,352	\$ 2,437,489
Operating Expenses:			
Personnel services	1,065,785	1,061,163	986,515
Professional services	149,693	177,479	183,207
Field operations	422,419	379,372	368,142
Conservation	5,844	5,946	11,544
Administration	236,116	230,626	221,184
Depreciation and Amortization	637,022	654,174	624,455
Total Operating Expenses	<u>2,516,879</u>	<u>2,508,760</u>	<u>2,395,047</u>
Net Income from Operations	200,339	128,592	42,442
Non-Operating Revenues	1,106,120	877,763	858,880
Non-Operating Expenses	<u>(252,635)</u>	<u>(254,684)</u>	<u>(445,496)</u>
Net Non-Operating Revenues	<u>853,485</u>	<u>623,079</u>	<u>413,384</u>
Net income before capital contributions	<u>1,053,824</u>	<u>751,671</u>	<u>455,826</u>
Capital Contributions			
Capacity fees	51,705	129,808	36,650
Contributed assets	90,081	22,833	28,593
Total Capital Contributions	<u>141,786</u>	<u>152,641</u>	<u>65,243</u>
Change in net position	1,195,610	904,312	521,069
Net position, beginning of year	8,862,313	8,218,372	7,697,490
Prior period adjustment	-	<u>(260,371)</u>	<u>(187)</u>
Beginning net position, restated	<u>8,862,313</u>	<u>7,958,001</u>	<u>7,697,303</u>
Net position, end of year	<u>\$ 10,057,923</u>	<u>\$ 8,862,313</u>	<u>\$ 8,218,372</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2019 and 2018

Changes from Fiscal Year 2017/2018 to Fiscal Year 2018/2019:

Total net position increased \$1,195,610 or 13.49% from fiscal year 2018 to 2019.

Total operating revenues increased \$79,866 or 3.03% from fiscal year 2018, to 2019. Operating revenue exceeded operating expenses by \$200,399. Operating expenses increased by \$8,119, a 0.32% increase from fiscal year 2018 to 2019.

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

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

Total operating revenues increased \$199,863 or 8.20% from fiscal year 2017 to 2018. Operating revenue exceeded operating expenses by \$128,592. Operating expenses increased by \$113,713, a 4.75% increase from fiscal year 2017 to 2018.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the District's net investment in capital assets was \$7,681,068 including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components); water production facilities (groundwater wells); land; buildings and both mobile and fixed equipment.

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

Debt Administration

The District continues to meet its debt obligations under its Water Revenue Refunding Bonds. Through scheduled debt service payments during 2018-19, principal on its collective debt was reduced by \$133,163 during the year. The District's total debt from its 2016 issuance now stands at approximately \$2.09 million.

The District continues to meet its debt obligations to the State Water Resource Control Board State Revolving Fund (SRF) Loan through scheduled debt service payments during 2018-19, principal on its collective debt was reduced by \$342,541 during the year. The District's total debt from the SRF Loan now stands at approximately \$4.36 million.

The District continues to meet its debt obligation called the Meter Replacement Loan for the AMR/AMI Meter Program capital improvement project. Principal on its collective debt was reduced by \$46,818 during the year. The District's total debt from the Meter Replacement Loan now stands at approximately \$342,486.

During FY 17-18, the District entered into an installment sale agreement with Opus Bank for \$3.87 million. However, as of June 30, 2019, the District had no balance outstanding.

Compensated absences, composed of vacation hours earned by employees that are payable upon termination or retirement, are valued at \$36,958 at the end of 2018-19, an increase of \$14,816 from the 2017-18 year-end amount of \$22,142.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Management's Discussion and Analysis
June 30, 2019 and 2018

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

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

The District adopted a budget for FY 2019-20 (\$2.8 M revenue and \$2.06 M expenses) with a 2.3% increase in income, a 6.8% increase in expense, and a 8.4% decrease in net income compared with the FY 2018-19 Operating Budget.

The District implemented a multi-year Water Rate adjustment and Capacity Fee increase in calendar year 2016 to fund repairs/renovation projects addressing aging infrastructure and regulatory changes. This included Chromium 6 (Cr6) compliance and adding new supply facilities to consolidate and replace less efficient aging wells. The District has authorized solicitation or responses to a Request for Proposals (RFP) for a rates study consultant for another multi-year rates restructuring. The adoption of new laws (SB 555, SB 606, AB 1668) have created new requirements for water efficiency and limits on water loss.

A significant portion of the District's budget continues to be repayment of 15-year long-term debt consolidated financing of Water Revenue Bonds in the amount of \$200,732 per year.

In addition, the District is currently paying down its twenty-year term State Revolving Fund (SRF) construction loan in the amount of \$7,179,073. \$1.5 million was paid on the principal with surcharge money the District had collected from our customers over the years. This principal prepayment saves the District \$600,000 in interest over the life of the loan. There was also an additional payment of \$230,677 in FY 2018-19. Total annual payments are approximately \$461,355 per year for the next 14 years.

In September 2017, the District was awarded Prop 84 funding in the amount of \$530,000 for Well 10 Cr6 Treatment Mitigation. The District recently received approval from the Department of Water Resources to reallocate the Well 10 grant to the Well 16 project, an alternative means for Cr6 mitigation. The design of the Well 16 project is 100% complete, and the District will soon solicit sealed bids from construction contractors.

Large-scale residential development remains on the horizon, but not in the financial planning range.. Additionally, infill projects and some small commercial development is likely to continue if the economic conditions remain favorable. Rio Linda is strategically located directly between the large new commercial development in the Airport Industrial Park and the McClellan Business park. Both areas are bringing additional jobs into the region which adds to housing demand in the District. Sacramento County has recently approved increased density for a project within the District boundaries, yet there are no financial agreements or definitive plans in place. SB 13 was signed by the Governor, which may lead to a new form of development via accessory dwelling units. It is likely that any significant projects which would increase the number of connections or water demand will not occur until FY 2021-22.

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BASIC FINANCIAL STATEMENTS

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH COMPARATIVE DATA FOR JUNE 30, 2018)

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	2019	2018
ASSETS		
Current Assets:		
Cash and investments	\$ 2,259,237	\$ 1,366,441
Accounts receivable	568,838	484,826
Accrued interest receivable	-	1,633
Inventory	58,009	96,794
Prepaid expenses	30,857	42,679
Total current assets	2,916,941	1,992,373
Restricted Assets		
Restricted cash and investments	1,479,705	1,533,974
Capital Assets, Net		
Capital assets	14,473,753	14,847,090
	15,953,458	16,381,064
TOTAL ASSETS	18,870,399	18,373,437
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension outflows	262,764	347,606
LIABILITIES		
Current Liabilities:		
Accounts payable	114,191	143,915
Accrued salaries and benefits	31,701	27,105
Accrued interest payable	10,423	11,087
Deposits payable	97,206	92,532
Unearned revenue	49,255	49,255
Current portion of compensated absences liability	36,958	22,142
Current portion of long-term liabilities	361,875	272,141
Total current liabilities	701,609	618,177
Long-Term Liabilities:		
Unearned revenue	705,797	755,052
Bonds and loans payable	6,436,628	7,148,025
OPEB liability	211,573	262,349
Net pension liability	987,630	1,033,555
	8,341,628	9,198,981
TOTAL LIABILITIES	9,043,237	9,817,158
DEFERRED INFLOWS OF RESOURCES		
Deferred pension inflows	5,192	33,279
Deferred OPEB inflows	26,811	8,293
	32,003	41,572
TOTAL DEFERRED INFLOWS OF RESOURCES	32,003	41,572
NET POSITION		
Net investment in capital assets	7,681,068	7,519,910
Restricted for debt service reserves	702,233	699,787
Unrestricted	1,674,622	642,616
	\$ 10,057,923	\$ 8,862,313

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2018)

	2019	2018
Operating revenues:		
Water sales	\$ 2,560,294	\$ 2,499,949
Account service charges	100,494	102,010
Other water service fees	56,430	35,393
Total operating revenues	2,717,218	2,637,352
Operating expenses:		
Personnel services	1,065,785	1,061,163
Professional services	149,693	177,479
Field operations:		
Transmission and distribution	128,878	96,154
Pumping	197,723	187,256
Transportation	17,144	16,660
Treatment	16,779	17,487
Other	61,895	61,815
Conservation	5,844	5,946
Administration	236,116	230,626
Depreciation	637,022	654,174
Total operating expenses	2,516,879	2,508,760
Operating income	200,339	128,592
Non-operating revenues and (expenses):		
Surcharge	949,903	743,152
Interest income	16,113	3,703
Property tax	87,964	81,653
Rental income	49,255	49,255
Loss on disposition of assets	2,885	(26,050)
Interest expense	(197,730)	(209,540)
Other non-operating expenses	(54,905)	(19,094)
Total non-operating revenues and (expenses)	853,485	623,079
Income before capital contributions	1,053,824	751,671
Capital Contributions		
Capacity fees	51,705	129,808
Contributed assets	90,081	22,833
Total capital contributions	141,786	152,641
Change in net position	1,195,610	904,312
Beginning net position	8,862,313	8,218,372
Prior period adjustment	-	(260,371)
Beginning net position, restated	8,862,313	7,958,001
Ending net position	\$ 10,057,923	\$ 8,862,313

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

**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2018)**

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	2019	2018
Cash flows from operating activities:		
Receipts from customers	\$ 2,637,880	\$ 2,617,095
Payments to suppliers	(793,189)	(834,969)
Payments to employees	(1,067,801)	(987,307)
Net cash provided by operating activities	776,890	794,819
Cash Flows from non-capital financing activities:		
Property taxes received	87,964	81,653
Net cash provided by non-capital financing activities	87,964	81,653
Cash flows from capital and related financing activities:		
Surcharge revenue received	949,903	743,152
Capacity fees	51,705	129,808
Payments on long-term debt	(983,538)	(508,377)
Purchase and construction of capital assets	(170,719)	(1,084,590)
Abandonment of well project	(54,905)	(19,094)
Proceeds from the issuance of long-term debt	361,875	99,141
Interest and fees paid on long-term debt	(198,394)	(210,183)
Net cash used by capital and related financing activities	(44,073)	(850,143)
Cash flows from investing activities:		
Investment income received	17,746	3,469
Net cash provided by investing activities	17,746	3,469
Net increase in cash and cash equivalents	838,527	29,798
Cash and cash equivalents, beginning of year	\$ 2,900,415	\$ 2,870,617
Cash and cash equivalents, end of year	\$ 3,738,942	\$ 2,900,415
Cash and cash equivalents consist of the following:		
Unrestricted	\$ 2,259,237	\$ 1,366,441
Restricted	1,479,705	1,533,974
	\$ 3,738,942	\$ 2,900,415

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

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

	2019	2018
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 200,339	\$ 128,592
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	637,022	654,174
Changes in assets and liabilities:		
Accounts receivable	(84,012)	(51,651)
Inventory	38,785	36,058
Prepaid expenses	11,822	(7,977)
Accounts payable	(29,724)	(69,627)
Accrued salaries and benefits	4,596	(3,578)
Deposits payable	4,674	31,394
Compensated absences	14,816	563
Other post employment benefits asset/liability	(78,863)	(12,182)
Net pension liability	57,435	89,053
	\$ 776,890	\$ 794,819
 Supplemental Disclosure of Non-Cash Activities		
Donated capital assets	\$ 90,081	\$ 22,833

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

NOTES TO BASIC FINANCIAL STATEMENTS

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity: The District was formed on November 9, 1948, and provided water and sewer services. Sewer services were transferred to Sacramento County in 1976. The District no longer provides sewer service. The District currently provides domestic water service and fire flows to approximately 4,637 metered accounts, including procurement, quality, and distribution. The District is governed by a Board of Directors consisting of five directors elected by residents of the District.

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

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

Basis of Accounting: (continued)

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

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

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

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

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

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

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

Capital Assets: (continued)

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

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

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

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

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

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

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

Property Taxes: (continued)

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

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

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

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 and 2018, are classified in the accompanying financial statements as follows:

	2019	2018
Cash and cash equivalents	\$ 2,259,237	\$ 1,366,441
Restricted cash and investments	1,479,705	1,533,974
Total Cash and Investments	<u>\$ 3,738,942</u>	<u>\$ 2,900,415</u>

Cash and investments as of June 30, 2019 and 2018, consisted of the following:

	2019	2018
Deposits with financial institutions		
Total Cash	\$ 3,028,707	\$ 2,392,798
Investments in Local Agency Investment Fund (LAIF)	205,000	15,993
Held by Bond Trustee:		
Money market mutual fund	201,027	65,127
Negotiable certificates of deposits	254,368	377,386
Government agency securities	49,840	49,111
Total Investments	<u>710,235</u>	<u>507,617</u>
Total Cash and Investments	<u>\$ 3,738,942</u>	<u>\$ 2,900,415</u>

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 2: CASH AND INVESTMENTS - CONTINUED

Investment Policy: California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The list below identifies the investment types that are authorized by the District’s investment policy.

This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. During the year ended June 30, 2019, the District’s permissible investments included the following instruments:

- Investment pool authorized under \$50 million¹ Liquid CA Account Statutes governed by Government Code Sections 16429.1-16429.4 AKA Local Agency Investment Fund of LAIF.
- California Employers Retiree Benefit Trust (CEBRT).
- Money Market Mutual Funds governed by Government Code Sections 53601.6(b).

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 2: CASH AND INVESTMENTS – CONTINUED

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

	Total	12 Months or Less	13-24 Months	25-60 Months
Local Agency Investment Fund	\$ 205,000	\$ 205,000	\$ -	\$ -
Held by Bond Trustee:				
Money market mutual fund	201,027	201,027	-	-
Negotiable certificates of deposits	254,368	48,892	205,476	-
Government agency securities	49,840	49,840	-	-
Total Investments	<u>\$ 710,235</u>	<u>\$ 504,759</u>	<u>\$ 205,476</u>	<u>\$ -</u>

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

	Minimum Legal Rating	Total	Ratings as of Year End	
			AAA	Not Rated
Local Agency Investment Fund	N/A	\$ 205,000	\$ -	\$ 205,000
Held by Bond Trustee:				
Money market mutual fund	N/A	201,027	-	201,027
Negotiable certificates of deposits	N/A	254,368	-	254,368
Government agency securities	A	49,840	49,840	-
Total Investments		<u>\$ 710,235</u>	<u>\$ 49,840</u>	<u>\$ 660,395</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 2: CASH AND INVESTMENTS - CONTINUED

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

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

At June 30, 2019, the carrying amount of the District's deposits were \$3,738,942 and the balances in financial institutions were \$3,779,136. Of the balance in financial institutions, \$1,058,230 was covered and \$2,720,906 was not covered by federal depository insurance. As of June 30, 2019, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

Reported Investment Type	Amount
Money market mutual funds	\$ 201,028
Negotiable certificates of participation	254,368
Government agency securities	49,840

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance at June 30, 2018	Additions	Disposals	Transfers/ Adjustments	Balance at June 30, 2019
Capital assets not being depreciated:					
Land	\$ 496,673	\$ 80,000	\$ -	\$ -	\$ 576,673
Construction in progress	1,250,106	84,085	(21,092)	-	1,313,099
Total capital assets not being depreciated	1,746,779	164,085	(21,092)	-	1,889,772
Capital assets being depreciated:					
Water system facilities	20,717,060	43,252	-	-	20,760,312
General plant assets	712,767	80,252	(59,620)	-	733,399
Intangible assets	373,043	-	-	-	373,043
Total capital assets being depreciated	21,802,870	123,504	(59,620)	-	21,866,754
Less: Accumulated depreciation					
Water system facilities	(7,965,838)	(575,176)	-	-	(8,541,014)
General plant assets	(492,299)	(45,136)	56,808	-	(480,627)
Intangible assets	(244,422)	(16,710)	-	-	(261,132)
Total accumulated Depreciation	(8,702,559)	(637,022)	56,808	-	(9,282,773)
Net assets being depreciated	13,100,311	(513,518)	(2,812)	-	12,583,981
Net capital assets	\$ 14,847,090	\$ (349,433)	\$ (23,904)	\$ -	\$ 14,473,753

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 3: CAPITAL ASSETS – CONTINUED

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

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

Depreciation expense in the amount of \$637,022 and \$654,174 was recorded for the years ended June 30, 2019 and 2018, respectively, and is included with depreciation expense on the Statement of Revenues, Expenses, and Changes in Net Position.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 4: LONG-TERM LIABILITIES

2015 Water Revenue Refunding Bonds: On April 1, 2015, the District entered into a loan agreement with Umpqua Bank to issue Series 2015 Water Revenue Refunding Bonds at an interest rate of 3.61%, the proceeds of which were used to provide financing for the refunding and defeasance of the District's 2003 Water Revenue Refunding Bonds. These 2003 Bonds were issued to refund debt used to finance certain capital improvements to the District's water system. Semi-annual principal payments, ranging from \$48,776 to \$136,000, and semi-annual interest payments, ranging from \$1,210 to \$40,642, are due on May 1 and November 1, through November 1, 2031. As of June 30, 2019, the District's loan balance was \$2,091,606.

Safe Drinking Water State Revolving Fund Loan: On June 30, 2011, the District finalized the Safe Drinking Water Loan funding agreement in the amount of \$7,499,045 at an interest rate of 2.57% to be paid over 20 years. The loan proceeds will assist the District in complying with the State safe drinking water standards. The project was completed in June 2015, and the actual borrowed by the District was only \$7,179,073. Semi-annual loan payments of \$230,677 are due on January 1 and July 1, through July 1, 2035. As of June 30, 2019, the District's loan balance was \$4,364,411.

Water Meter Replacement Loan: In July 2015, the District entered into an installment purchase agreement with Holman Capital Corporation for \$499,835 at an interest rate of 3.10% to be paid over 10 years. The agreement is for the acquisition and installation of 813 meters and solar-powered data collectors that will electronically connect to the existing automatic meter reading system, and installation of a dashboard system that will provide water data analytics to detect leaks, high water users, and overall system performance. Semi-annual loan payments of \$29,257 are due on January 23 and July 23, through July 23, 2025. As of June 30, 2019, the District's loan balance was \$342,486.

Installment Sale Agreement: On March 1, 2018, the District entered into an installment sale agreement with Opus Bank for \$3,870,000 at an interest rate of 3.28%. Proceeds from the agreement are for the construction of Well 10 and Well 16. Assuming the entire amount of the loan is borrowed by the District, semi-annual principal payments, ranging from \$90,000 to \$160,000, and semi-annual interest payments, ranging from \$2,624 to \$74,046, are due on April 1 and October 1, through April 1, 2033. Although \$99,141 was drawn down in the year ended June 30, 2018, this amount was paid in full during the year ended June 30, 2019.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 4: LONG-TERM LIABILITIES - CONTINUED

The activity of the District's long-term liabilities during the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
State safe drinking water loan	\$ 4,706,952	\$ -	\$ (342,541)	\$ 4,364,411	\$ 174,579
2015 water revenue refunding	2,224,769	-	(133,163)	2,091,606	139,015
Water meter replacement loan	389,304	-	(46,818)	342,486	48,281
Opus Bank loan	99,141	-	(99,141)	-	-
Subtotal bonds and loans payable	7,420,166	-	(621,663)	6,798,503	361,875
Compensated absences	22,142	36,958	(22,142)	36,958	36,958
Net pension liability	1,033,555	-	(45,925)	987,630	-
Other post-employment benefits	262,349	22,178	(72,954)	211,573	-
	<u>\$ 8,738,212</u>	<u>\$ 59,136</u>	<u>\$ (762,684)</u>	<u>\$ 8,034,664</u>	<u>\$ 398,833</u>

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 4: LONG-TERM LIABILITIES - CONTINUED

The annual requirements to amortize the outstanding debt as of June 30, 2019, are as follows:

	Principal	Interest	Total
2020	\$ 361,875	\$ 128,048	\$ 489,923
2021	551,444	171,650	723,094
2022	564,630	156,507	721,137
2023	579,796	140,995	720,791
2024	595,776	125,087	720,863
2025-2030	3,677,206	406,078	4,083,284
2031-2032	467,775	10,814	478,589
	<u>\$ 6,798,503</u>	<u>\$ 1,139,178</u>	<u>\$ 7,937,681</u>

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2015 Water Revenue Refunding Bonds in the original amount of \$2,688,622. Proceeds of the refunded bonds funded the acquisition and construction of certain facilities, as indicated above. The Bonds are payable solely from water customer net revenues and are payable through November 2031. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Bonds was \$2,441,721 and \$2,722,875 at June 30, 2019 and 2018, respectively.

The District pledged surcharge fee revenues, to repay the 2011 State Safe Drinking Water Loan in the amount up to \$7,499,045. Proceeds of the Loan funded the construction of wells to meet State safe drinking water standards. Annual principal and interest payments on the Loan are expected to be fully recovered by the surcharge fees from customers. Total principal and interest paid on the loan from surcharge fees was \$461,355 and \$461,355 for the years ended June 30, 2019 and 2018, respectively. The total surcharge fee revenues were \$949,903 and \$743,152 for the years ended June 30, 2019 and 2018, respectively. The District is required to maintain net revenues at least 1.2 times total annual debt service. The District's surcharge revenues exceeded this requirement at June 30, 2019 and 2018. Total principal and interest remaining to be paid on the Bonds was \$5,032,952 and \$5,494,307 at June 30, 2019 and 2018, respectively.

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 5: UNEARNED REVENUE

In August 2014, the District assigned the right to receive rental income on various cell tower leases for a period of 20 years to Wireless Capital Partners, LLC, in exchange for \$985,101 of cash. The District is also entitled to receive 50% of any rental increases after the expiration of the current leases. The District will recognize the revenue from this agreement over a period of 20 years, or \$49,255 annually. The balance of unearned revenue at June 30, 2019, was \$755,052

NOTE 6: NET POSITION

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

	2019	2018
Debt service reserve on 2015 Water Revenue Refunding Bonds	\$ 240,878	\$ 238,432
Debt service reserve on State Loan	461,355	461,355
Total Cash and Investments	\$ 702,233	\$ 699,787

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

NOTE 7: DEFINED BENEFIT PENSION PLAN

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN - CONTINUED

financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy: Active plan members were required to contribute 7% of their annual covered salary. Starting in December 2011, the District contributed 3.5% on behalf of the employees. The District is required to contribute at an actuarially determined rate. The District has two tiers of participants, classic and PEPRA. The required employer contribution rate for the classic plan for fiscal year 2018/2019, 2017/2018, and 2016/2017 was 6.933%, 8.418%, and 8.377%, respectively. The required employer contribution rate for the PEPRA plan for fiscal year 2018/2019, 2017/2018, and 2016/2017 was 6.842%, 6.533%, and 6.555%, respectively. The contribution requirements of the plan members and the District are established and may be amended by PERS. The District's contributions for the years June 30, 2019, 2018, and 2017, were \$137,446, \$126,796, and \$118,924, respectively, which were equal to the required contributions each year.

At June 30, 2019, the District reported a liability of \$987,630 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

For the fiscal year ended June 30, 2019, the District recognized a pension expense of \$148,275 in its financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate – 7.15%
- Investment Rate – 7.15%
- Inflation Rate – 2.5%
- Salary Increases – Varies by Entry Age and Service
- COLA Increases – up to 2.5%
- Post-Retirement Mortality – Derived using CalPERS' Membership Data for all Funds

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN – CONTINUED

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014, through June 30, 2017.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years > 10(b)
Global equity	50.0%	4.80%	5.98%
Global fixed income	28.0%	1.00%	2.62%
Inflation sensitive	0.0%	77.00%	1.81%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.00%</u>		

- (a) An expected inflation of 2.5% used for this period
- (b) An expected inflation of 3.0% used for this period

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN - CONTINUED

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

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

	Discount Rate		
	1% Decrease 6.65%	Discount Rate 7.15%	1% Increase 8.15%
Plan's net pension liability	\$ 1,568,905	\$ 987,630	\$ 507,797

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

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

For the year ended June 30, 2019, the District recognized pension expense of \$148,275. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 84,998	\$ -
Differences between Expected and Actual Experience	24,999	-
Differences between Projected and Actual Investment Earnings	4,883	-
Differences between Employer's Contributions and Proportionate Share of Contributions	541	2,525
Change in Employer's Proportion	9,898	2,667
Pension Contributions Made Subsequent to Measurement Date	137,445	-
	\$ 262,764	\$ 5,192

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN – CONTINUED

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

\$137,446 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 100,442
2021	58,633
2022	(30,065)
2023	(8,883)
Total	<u>\$ 120,127</u>

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

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

Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

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

Plan Description: (continued)

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

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

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

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

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

Plan Description: (continued)

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

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

Contributions: The contribution requirements of the District are established and may be amended by the District's board. While GASB Statement 75 requires that the liability for all post-employment benefits be measured, it does not require that an agency "pre-fund" the accrued liability. The District will pay for the post-employment healthcare cost on a "pay-as-you-go" basis. The provisions of GASB Statement 75 determine the amount that must be presented as an annual expense and accrued liability on the District's financial statements. The contributions made on behalf of the plan members for the year ended June 30, 2019 were \$22,178.

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

Net OPEB Liability: (continued)

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

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

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

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

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

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

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

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

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
July 1, 2018	July 1, 2017	5.75%	3.62%	3.62%
June 30, 2019	June 30, 2018	5.75%	3.13%	5.01%

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2019 for the District.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2017	\$ 282,824	\$ -	\$ 282,824
Changes recognized for the service period:			
Service cost	1,739		1,739
Interest	8,526		8,526
Changes of assumptions	(9,723)		(9,723)
Employer contributions	-	21,017	(21,017)
Benefit payments	(21,017)	(21,017)	
Net changes	<u>(20,475)</u>	<u>-</u>	<u>(20,475)</u>
Balance at June 30, 2018	<u>\$ 262,349</u>	<u>\$ -</u>	<u>\$ 262,349</u>
Changes recognized for the service period:			
Service cost	1,649		1,649
Interest	9,099		9,099
Changes of assumptions	(22,885)		(22,885)
Employer contributions		38,534	(38,534)
Investment income		105	(105)
Benefit payments	(22,178)	(22,178)	
Net changes	<u>(34,315)</u>	<u>16,461</u>	<u>(50,776)</u>
Balance at June 30, 2019	<u>\$ 228,034</u>	<u>\$ 16,461</u>	<u>\$ 211,573</u>

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower 4.01 percent) or 1-percentage-point higher (6.01 percent) than the current discount rate:

	1% Decrease 4.01%	Trend Rate 5.01%	1% Increase 6.01%
District's proportionate share of the net OPEB liability	\$ 227,683	\$ 211,573	\$ 197,101

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

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

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

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

	1% Decrease 4.00%	Trend Rate 5.00%	1% Increase 6.01%
District's proportionate share of the net OPEB liability	\$ 199,587	\$ 211,573	\$ 224,959

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

At June 30, 2019, the District’s deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ -	\$ 26,737
Differences in projected and actual return on plan assets	-	74
Totals	<u>\$ -</u>	<u>\$ 26,811</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Notes to Basic Financial Statements
June 30, 2019 and 2018

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

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

<u>Year Ending June 30,</u>		
2020	\$	(4,459)
2021		(4,459)
2022		(4,459)
2023		(4,459)
2024		(4,156)
2025		(3,011)
2026		(1,808)
Totals	<u>\$</u>	<u>(26,811)</u>

Net OPEB Expense

For the year ended June 30, 2019, the District's OPEB expense was \$(10,081). Detail of the expense is shown below:

Service Cost	\$1,739
Interest Cost	8,526
Recognition of Deferred Outflows and Inflows:	
Changes of assumptions	<u>(4,367)</u>
Net OPEB Expense	<u>\$8,835</u>

NOTE 9: INSURANCE

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

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

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Notes to Basic Financial Statements
June 30, 2019 and 2018

NOTE 9: INSURANCE - continued

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

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

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

NOTE 10: PRIOR PERIOD ADJUSTMENT

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

NOTE 11: SUBSEQUENT EVENT

Management has evaluated subsequent events through October 10, 2019, the date on which the financial statements were available to be issued.

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ADDITIONAL INFORMATION

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 Required Supplementary Information
 Pensions
 June 30, 2019

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

Last 10 Fiscal years*

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District’s proportion of the net pension liability	0.02621%	0.02599%	0.02490%	0.02825%	0.02825%
District’s proportionate share of the net pension liability	\$987,630	\$1,033,555	\$902,961	\$611,042	\$611,042
District’s covered payroll	605,031	523,983	516,107	377,098	377,098
District’s proportionate share of the net pension liability as a percentage of its covered payroll	163.24%	197.25%	174.96%	162.04%	162.04%
Plan Fiduciary net position as a percentage of the total pension liability	77.02%	75.87%	81.32%	78.76%	78.76%

CALPERS - Schedule of District contributions:

Last 10 Fiscal Years*

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	\$ 126,796	\$ 118,924	\$ 95,128	\$ 70,003	\$ 70,003
Contributions in relation to the actuarially determined contribution	126,796	118,924	95,128	70,003	70,003
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District’s covered payroll	\$ 605,031	\$ 523,983	\$ 516,107	\$ 377,098	\$ 377,098
Contributions as a percentage of covered payroll	20.96%	22.70%	18.43%	18.56%	18.56%

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

Additional years will be presented as they become available.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 Required Supplementary Information
 Other Post-Employment Benefits
 June 30, 2019

Last 10 Fiscal years*

	2019	2018
Net OPEB liability		
Service cost	\$ (1,649)	\$ 1,739
Interest	(9,099)	8,526
Plan contributions	(38,534)	-
Investment earnings	(105)	
Other	(682)	-
Change in assumptions	(22,885)	(9,723)
Benefit payments	22,178	(21,017)
Net change in Net OPEB liability	(50,776)	(20,475)
Net OPEB liability - beginning	262,349	282,824
Net OPEB liability - ending	\$ 211,573	\$ 262,349
Covered payroll	\$ 668,161	\$ 604,181
Net OPEB liability (asset) as a percentage of covered payroll	31.66%	43.42%
Plan fiduciary net position as a percentage of the total OPEB	7.22%	0.00%

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



STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Position:										
Net Investment in Capital Assets	\$5,357,179	\$5,516,600	\$5,348,202	\$4,314,977	\$4,964,131	\$4,418,605	\$6,292,818	\$6,698,923	\$7,519,910	\$7,681,068
Restricted	251,264	386,433	999,879	1,328,912	1,949,873	2,146,937	699,145	699,787	699,787	702,233
Unrestricted	339,736	86,424	198,124	971,432	-233,673	540,312	705,527	819,662	642,616	1,674,622
Total Net Position	<u>\$5,948,179</u>	<u>\$5,989,457</u>	<u>\$6,546,205</u>	<u>\$6,615,321</u>	<u>\$6,680,331</u>	<u>\$7,105,854</u>	<u>\$7,697,490</u>	<u>\$8,218,372</u>	<u>\$8,862,313</u>	<u>\$10,057,923</u>

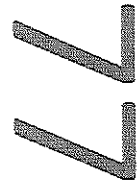
* Unrestricted for 2013 and 2014 have been changed from the previous reported.

RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
Schedule of Change in Net Position
(Accrual Basis of Accounting)
Last Ten Years

	2010	2011	2012	2013 (Restated)	2014 (Restated)	2015	2016	2017	2018	2019
OPERATING REVENUE										
Water Sales	\$ 1,420,153	\$ 1,546,497	\$ 1,948,287	\$ 2,165,708	\$ 2,318,307	\$ 2,308,047	\$ 2,173,094	\$ 2,289,627	\$ 2,499,949	\$ 2,560,294
Account Service Charges	123,907	136,453	113,820	102,306	108,628	102,983	95,530	102,660	102,010	100,494
Other Water Service Fees	12,277	13,688	81,951	17,193	8,153	17,467	31,735	45,202	35,393	56,430
Total Operating Revenues	1,556,337	1,696,638	2,144,058	2,285,207	2,435,088	2,428,497	2,300,359	2,437,489	2,637,352	2,717,218
OPERATING EXPENSES										
Personnel Services	688,774	698,360	658,431	696,810	740,854	762,133	733,073	986,515	1,061,163	1,065,785
Professional Services	174,163	478,968	613,858	531,433	187,460	146,459	138,340	175,449	177,479	149,693
Field Operations										
Transmission & Distribution	100,181	53,781	31,166	64,170	19,377	77,694	67,778	101,896	96,154	128,878
Pumping	176,198	190,191	202,394	209,235	190,788	174,093	198,706	192,760	187,256	197,723
Transportation	17,695	16,450	25,381	24,595	22,964	18,112	15,484	14,869	16,660	17,144
Treatment	15,611	20,198	19,580	17,512	12,923	13,005	14,562	16,579	17,487	16,779
Other	84,655	168,342	76,906	90,707	37,637	52,491	60,127	42,038	61,815	61,895
Conservation	3,505	1,896	925	7,551	10,041	11,549	14,545	11,544	5,946	5,844
Administrative Expenses	184,078	217,313	172,595	255,943	189,048	235,369	218,905	228,942	230,626	236,116
Depreciation and Amortization	307,009	321,697	306,646	278,118	1,456,071	978,027	609,090	624,455	654,174	637,022
Total Operating Expenses	1,751,869	2,167,196	2,107,892	2,176,074	2,867,163	2,468,932	2,070,610	2,395,047	2,508,760	2,516,879
Operating Income (Loss)	(195,532)	(470,558)	36,166	109,133	(432,075)	(40,435)	229,749	42,442	128,592	200,339
NON-OPERATING INCOME (EXPENSES)										
Surcharge	364,204	462,681	510,577	517,201	523,538	565,286	481,329	729,739	743,152	949,903
Interest Income	1,469	575	464	797	5,628	7,577	14,513	3,935	3,703	16,113
Miscellaneous Income	8,032	3,319	284	2,626	259	-	-	-	-	-
Property Taxes	63,348	63,296	60,439	71,198	67,410	78,620	46,454	75,951	81,653	87,964
Rental Income	58,859	69,464	75,406	77,608	80,299	58,405	49,255	49,255	49,255	49,255
Gain (Loss) on Sale of Assets	-	-	-	(360,335)	-	6,855	(45,899)	(14,048)	(26,050)	2,885
Lawsuit	-	102,057	-	-	-	-	-	-	-	-
Interest Expense	(216,223)	(186,898)	(210,838)	(181,774)	(178,249)	(225,190)	(238,303)	(224,195)	(209,540)	(197,730)
Other Non-Operating Expenses	(2,066)	(2,658)	(1,700)	(1,865)	(1,800)	(65,803)	(2,103)	(207,253)	(19,094)	(54,905)
Total Non-Operating Revenues (Expenses)	277,623	511,836	434,632	125,456	497,085	425,750	305,246	413,384	623,079	853,485
Income (Loss) Before Capital Contributions	82,091	41,278	470,798	234,589	65,010	385,315	534,995	455,826	751,671	1,053,824
Capital Contributions										
Capacity Fees	-	-	-	-	-	27,610	48,420	36,650	129,808	51,705
Contributed Assets	-	-	85,950	-	-	12,598	20,222	28,593	22,833	90,081
Development Fees	-	-	-	-	-	-	-	-	-	-
Total Capital Contributions	-	-	85,950	-	-	40,208	68,642	65,243	152,641	141,786
Change in Net Position	82,091	41,278	556,748	234,589	65,010	425,523	603,637	521,069	904,312	1,195,610

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

Meter Sizes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Flat Bi-Monthly Service Charge (600 cu ft. Usage Charge Included)										
5/8" Meter	\$ 29.00	\$ 41.18	\$ 42.54	\$ 49.79	\$ 51.47	\$ 53.22	\$ 55.04	\$ 56.73	\$ 57.75	\$ 58.80
3/4" Meter	\$ 34.80	\$ 49.38	\$ 51.02	\$ 59.70	\$ 61.72	\$ 63.82	\$ 66.00	\$ 66.73	\$ 67.75	\$ 68.80
1" Meter	\$ 52.20	\$ 73.98	\$ 76.44	\$ 89.45	\$ 92.47	\$ 95.62	\$ 98.88	\$ 94.55	\$ 96.26	\$ 98.00
1 1/2" Meter	\$ 101.50	\$ 143.68	\$ 148.44	\$ 173.71	\$ 179.47	\$ 185.69	\$ 192.03	\$ 189.10	\$ 192.51	\$ 195.99
2" Meter	\$ 162.40	\$ 229.78	\$ 237.40	\$ 277.81	\$ 287.20	\$ 296.97	\$ 307.11	\$ 302.55	\$ 308.02	\$ 313.59
3" Meter	\$ 304.50	\$ 430.66	\$ 444.96	\$ 520.70	\$ 538.30	\$ 556.61	\$ 575.61	\$ 661.84	\$ 673.79	\$ 685.97
4" Meter	\$ 507.50	\$ 717.64	\$ 741.46	\$ 867.68	\$ 897.01	\$ 927.52	\$ 959.18	\$ 1,191.31	\$ 1,212.83	\$ 1,234.74
Tier Schedule Bi-Monthly (\$ / 100 cubic feet (CCF))										
5/8" Meter										
Tier 1 (601 - 2,600)	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.64	N/A	N/A	N/A
Tier 2 (2,601 - 15, 600 CCF)	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.80	N/A	N/A	N/A
Tier 3 (15,601 +)	\$ 0.68	\$ 0.86	\$ 0.88	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.01	N/A	N/A	N/A
3/4 - 1 1/2" Meter										
Tier 1 (601 - 5,800)	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.64	N/A	N/A	N/A
Tier 2 (5,801 - 44,800 CCF)	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.80	N/A	N/A	N/A
Tier 3 (44,801 +)	\$ 0.68	\$ 0.86	\$ 0.88	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.01	N/A	N/A	N/A
2" to 4" Meter										
Tier 1 (601 - 55,200)	\$ 0.43	\$ 0.54	\$ 0.56	\$ 0.58	\$ 0.60	\$ 0.62	\$ 0.64	N/A	N/A	N/A
Tier 2 (55,201 - 286,000 CCF)	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.73	\$ 0.75	\$ 0.78	\$ 0.80	N/A	N/A	N/A
Tier 3 (286,001 +)	\$ 0.68	\$ 0.86	\$ 0.88	\$ 0.91	\$ 0.94	\$ 0.98	\$ 1.01	N/A	N/A	N/A
Inactive Meter Charge: Fixed Rate	N/A	N/A	N/A	\$44.63	\$ 46.01	\$ 47.34	\$ 48.98	\$ 52.34	\$ 51.63	\$ 52.50
Capital Improvement Surcharge (Restricted Funds)	\$ 15.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00	\$ 19.00
CR6 Surcharge (Restricted Funds)									\$ 7.90	\$ 15.80
Cubic Feet Used 601+										
Meter Sizes 5/8" - 4"										
Non-Drought Rate Vol. Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.55	\$ 0.77	\$ 0.79
Drought Rate										
Stage : 30%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.63	\$ 0.88	\$ 0.90
Stage : 40%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.73	\$ 1.02	\$ 1.05
Stage: 50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 0.88	\$ 1.23	\$ 1.26



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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Sales:										
Residential	\$ 1,228,723	\$ 1,294,125	\$ 1,647,916	\$ 1,837,442	\$ 2,011,151	\$ 1,973,254	\$ 1,926,866	\$ 2,009,517	\$ 2,138,326	\$ 2,215,321
Non-Residential (A)	327,614	402,513	496,142	637,291	307,156	334,793	246,228	280,110	361,623	344,973
Total Water Sales	<u>\$ 1,556,337</u>	<u>\$ 1,696,638</u>	<u>\$ 2,144,058</u>	<u>\$ 2,285,207</u>	<u>\$ 2,318,307</u>	<u>\$ 2,308,047</u>	<u>\$ 2,173,094</u>	<u>\$ 2,289,627</u>	<u>\$ 2,499,949</u>	<u>\$ 2,560,294</u>
Total Water Deliveries (AF)	2,718.3	2,543.3	2,857.1	3,052.3	2,449.4	2,109.5	2,097.7	2,233.0	2,488.2	2,445.5
Rate per Acre Foot (AF)	\$ 572.54	\$ 667.10	\$ 750.43	\$ 748.68	\$ 946.48	\$ 1,094.12	\$ 1,035.94	\$ 1,025.36	\$ 1,004.72	\$ 1,046.94

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

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

Fiscal Year 2019

Revenue Generated from 7/1/2018 to 6/30/2019

Ratepayer	Revenues Collected	Percent of Total Water Sales
Rio Linda Jr High School	\$ 20,086.72	0.80%
Rio Linda Senior High School	\$ 17,221.24	0.69%
Westside Park-RLERPD	\$ 15,259.39	0.61%
Rio Linda Union School District	\$ 9,980.17	0.40%
Bell Aqua Apartments	\$ 8,513.17	0.34%
Orchard Elementary School	\$ 8,398.58	0.34%
Babe Best Park RLERPD	\$ 6,568.55	0.26%
Comm. Cntr RLERPD	\$ 6,476.54	0.26%
Larane Investments, LLC	\$ 6,167.86	0.25%
Elverta School	\$ 6,127.07	0.25%
Total	\$ 104,799.29	4.19%

Total Water Sales \$ 2,499,949.00

Fiscal Year 2010

Revenue Generated from 7/1/2009 to 6/30/2010

Ratepayer	Revenues Collected	Percent of Total Water Sales
Rio Linda Jr. High School	\$14,422.56	1.02%
Westside Park - RLERPD	\$6,791.92	0.48%
Rio Linda Senior High School	\$6,727.06	0.47%
Orchard Elementary School	\$5,319.31	0.37%
Rio Linda Union School District	\$4,317.44	0.30%
Babe Best Park RLERPD	\$4,037.00	0.28%
Bell Aqua Apartments	\$3,926.69	0.28%
CRP Properties, Inc.	\$3,883.72	0.27%
Comm. Cntr RLERPD	\$2,920.64	0.21%
SHRA H07050 SHRA	\$2,762.02	0.19%
Total	\$55,108.36	3.88%

Total \$ 1,420,153.00

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Revenue	\$ 82,091	\$ 41,278	\$ 556,748	\$ 234,589	\$ 65,010	\$ 425,523	\$ 603,637	\$ 521,069	\$ 904,312	\$ 1,195,610
Debt Service	3,400,000	3,310,000	5,327,267	6,454,132	6,705,345	9,673,174	8,322,613	7,829,402	7,420,165	6,798,503
Coverage	2%	1%	10%	4%	1%	4%	7%	7%	12%	18%

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Debt Capacity
Ratios of Outstanding Debt by Type and Number of Connections
Last Ten Years

Debt:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water Revenue Refunding Bonds	\$ 3,400,000	\$ 3,310,000	\$ 3,215,000	\$ 3,120,000	\$ 3,020,000	\$ 2,688,622	\$ 2,478,622	\$ 2,353,846	\$ 2,224,769	\$ 2,091,606
State Safe Drinking Water Loan	-	-	2,112,267	3,334,132	3,685,345	6,984,552	5,365,497	5,040,853	4,706,952	4,364,411
Surcharge 2 Loan	-	-	-	-	-	-	-	-	99,141	-
Meter Replacement Loan	-	-	-	-	-	-	478,494	434,703	389,304	342,486
Legal Settlement	-	-	-	89,000	53,400	17,800	-	-	-	-
Total Debt	\$ 3,400,000	\$ 3,310,000	\$ 5,327,267	\$ 6,543,132	\$ 6,758,745	\$ 9,690,974	\$ 8,322,613	\$ 7,829,402	\$ 7,420,166	\$ 6,798,503
Number of Service Connections	4616	4616	4616	4617	4617	4618	4622	4628	4636	4637
Debt Per Capita	736.57	717.07	1154.09	1417.18	1463.88	2098.52	1800.65	1691.75	1600.55	1466.14

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Personal Income (1)	\$ 54,673,384	\$ 57,564,251	\$ 60,721,694	\$ 62,440,643	\$ 65,126,187	\$ 69,870,482	72,878,458	76,832,120	unavailable	unavailable
Population (1)	1,421,838	1,435,601	1,448,771	1,463,149	1,482,026	1,501,335	1,514,460	1,530,615	1,540,975	unavailable
Per Capita Personal Income (1)	\$ 38,453	\$ 40,098	\$ 41,913	\$ 42,676	\$ 43,944	\$ 47,811	48,850	50,197	unavailable	unavailable
Unemployment Rate (2)	12.6%	12.1%	10.5%	8.9%	7.3%	5.5%	4.6%	4.0%	3.60%	unavailable

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

Source:

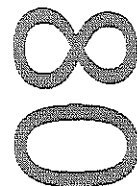
- (1) Bureau of Economic Analysis, US Department of Commerce
- (2) California State Employment Development Department

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

Company	Fiscal Year					
	2018			2009		
	Average Number of Employees	Rank	Percentage of Total County Employment	Average Number of Employees - (a)	Rank	Percentage of Total County Employment
State of California	75,801	1	11.09%	73,273	1	12.02%
UC Davis Health System	12,840	2	1.88%	8,496	3	1.39%
Sacramento County	12,208	3	1.79%	13,304	2	2.18%
Kaiser Permanente	11,005	4	1.61%	7,979	4	1.31%
US Government	10,325	5	1.51%			
Sutter Health Sacramento Sierra Region	8,177	6	1.20%	7,314	5	1.20%
Dignity Health	7,000	7	1.02%			
San Juan Unified School District	6,210	8	0.91%	5,190	10	0.85%
Intel Corp	6,000	9	0.88%	6,000	8	0.98%
Apple, Inc	5,000	10	0.73%			
Sacramento City Unified School District				6,500	6	1.07%
Elk Grove Unified School District				6,391	7	1.05%
Mery/Catholic Healthcare West				5,922	9	0.97%
	154,566		22.61%	140,369		23.03%
Total Employed in Sacramento County	683,500			609,433		

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

Source: Sacramento Business Journal, Book of Lists 2018 Vol. 35 No. 45 and Book of List 2010 Vol. 26 No. 23



RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Operating Information

Capital Assets

Last Ten Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capital Assets Not Being Depreciated										
Land	\$ 410,723	\$ 410,723	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 496,673	\$ 576,673
Construction in Progress	631,313	1,019,082	3,090,786	138,976	1,167,567	631,834	588,994	637,767	1,250,106	1,313,099
Total Not Being Depreciated	1,042,036	1,429,805	3,587,459	635,649	1,664,240	1,128,507	1,085,667	1,134,440	1,746,779	1,889,772
Capital Assets Being Depreciated										
Water System Facilities	11,273,400	11,285,184	11,303,047	15,059,075	15,192,373	19,096,450	20,039,978	20,562,699	20,717,060	20,760,312
General Plant Assets	792,013	792,013	792,013	721,407	727,008	503,967	594,236	606,507	712,767	733,399
Intangible Assets	363,185	363,185	373,865	407,225	407,225	407,225	403,145	373,043	373,043	373,043
Less Accumulated Depreciation	(5,246,874)	(5,560,487)	(5,859,049)	(6,054,247)	(6,702,352)	(7,144,370)	(7,638,607)	(8,241,348)	(8,702,559)	(9,282,773)
Total Not Being Depreciated, Net	7,181,724	6,879,895	6,609,876	10,133,460	9,624,254	12,963,272	13,398,752	13,300,901	13,100,311	12,583,981
Capital Assets, Net	\$ 8,223,760	\$ 8,309,700	\$ 10,197,335	\$ 10,769,109	\$ 11,288,494	\$ 14,091,779	\$ 14,484,419	\$ 14,435,341	\$ 14,847,090	\$ 14,473,753

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
WATER SERVICES										
Number of Service Connections	4,616	4,616	4,616	4,617	4,617	4,618	4,622	4,628	4,636	4,637
Annual Demand in AF	2,718.3	2,543.3	2,857.1	3,052.3	2,449.4	2,109.5	2,097.5	2,285.9	2,488.1	2,488.5
Max Monthly Demand in Gallons	146,953,128	122,432,020	142,225,142	149,404,660	115,965,570	87,014,897	97,962,392	107,432,399	120,549,805	120,520,384
Maximum Day Demand in Gallons	2,460,485	2,270,541	2,586,101	2,752,771	2,217,013	1,909,354	3,265,413	3,465,561	3,888,703	3,757,658
METERS										
New Installations	0	0	0	0	0	0	4	7	7	1
Replacement	0	0	0	60	349	179	1,087	377	475	325
HYDRANTS										
New Installations	0	0	0	0	0	0	1	0	0	0
Replacement	0	0	0	0	0	2	0	0	0	1
LEAKS										
Water Main	5	2	0	0	1	2	3	2	0	8
Service	75	58	71	75	76	82	66	66	80	70
MAIN LINE VALVES										
New Installations	0	0	0	0	0	0	0	0	0	0
Replacement	0	0	0	3	0	0	0	2	0	0
SERVICES										
New Installations	0	0	0	0	0	3	4	7	7	0
Replacement	0	0	0	0	1	0	10	29	34	19
MAJOR FACILITIES										
Wells	9	9	11	11	11	11	11	11	11	11
Tank	1	1	1	1	1	2	2	2	2	2
Booster Station	1	1	1	1	1	2	2	2	2	2
Pressure Regulation Valves	2	2	2	2	2	2	2	2	2	2
Miles of Pipeline	61.14	61.72	61.72	61.72	61.72	62.10	62.10	62.10	62.10	62.10
PERSONNEL										
Management	1	1	1	1	1	1	1	1	1	1
Administration	4	4	3	3	4	4	4	4	4	4
Field Operations	5	5	3	3	5	5	5	5	5	5
	10	10	7	7	10	10	10	10	10	10

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COMPLIANCE SECTION

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Craig R. Fechter, CPA, MST

October 10, 2019

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

We have audited the financial statements of the Rio Linda/Elverta Community Water District (the District) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 13, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 10, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

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

Very truly yours,

Fechter & Company,
Certified Public Accountants



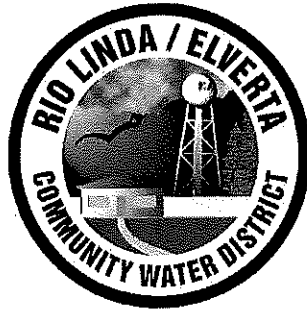
Sacramento, California



**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**

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

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



Items for Discussion and Action
Agenda Item: 4.9

Date: November 18, 2019

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:
N/A

Current Background and Justification:

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

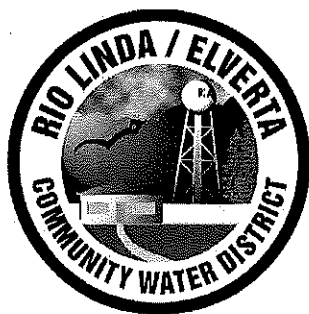
Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford____ Reisig____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



**Information Items
Agenda Item: 5.1**

Date: November 18, 2019

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

- a. Operations Report
- b. Conservation Report

RIO LINDA/ELVERTA C.W.D. 2019

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

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Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
35.3	31.1	35.1	46.3	66.8	97.5	
35,329,525	31,146,049	35,054,556	46,348,893	66,841,098	97,476,534	
July	August	Sept.	Oct.	Nov.	Dec.	
115.4	108.9	96.1	65.8			698.30
115,381,642	108,930,566	96,056,970	65,833,796			
			Monthly Total			
Gallons = Multiply M.G. by: 1,000,000			65,833,796	Gallons		698,399,629
Cubic Feet = Divide gallons by: 7.48			8,801,310	Cubic Feet		93,388,934
Hundred Cu Ft. = Divide cu. ft. by: 100			88,013	Hundred Cubic Feet		933,889
Acre Ft. = Divide gallons by: 325,829			202.05	Acre Ft.		2,143

DISTRIBUTION SYSTEM DATA

Water Quality Complaints		Complaints Total (Low Psi Complaints)				Year To Date
January	February	March	April	May	June	
2 (1)	1 (1)	2 (2)	0	3 (2)	6 (4)	
July	August	Sept.	Oct.	Nov.	Dec.	
1 (1)	2 (2)	3 (3)	2 (2)			22

New Services

New Construction	0	1
Existing Homes	0	2
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4640

Distribution System Failures/Repairs

Deterioration October 1 thru 31	18	67
Damaged October 1 thru 31	0	2

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	20	169
Raw Water Bacteriological Samples (at Wells)	0	34

October 1, 2019 - October 31, 2019

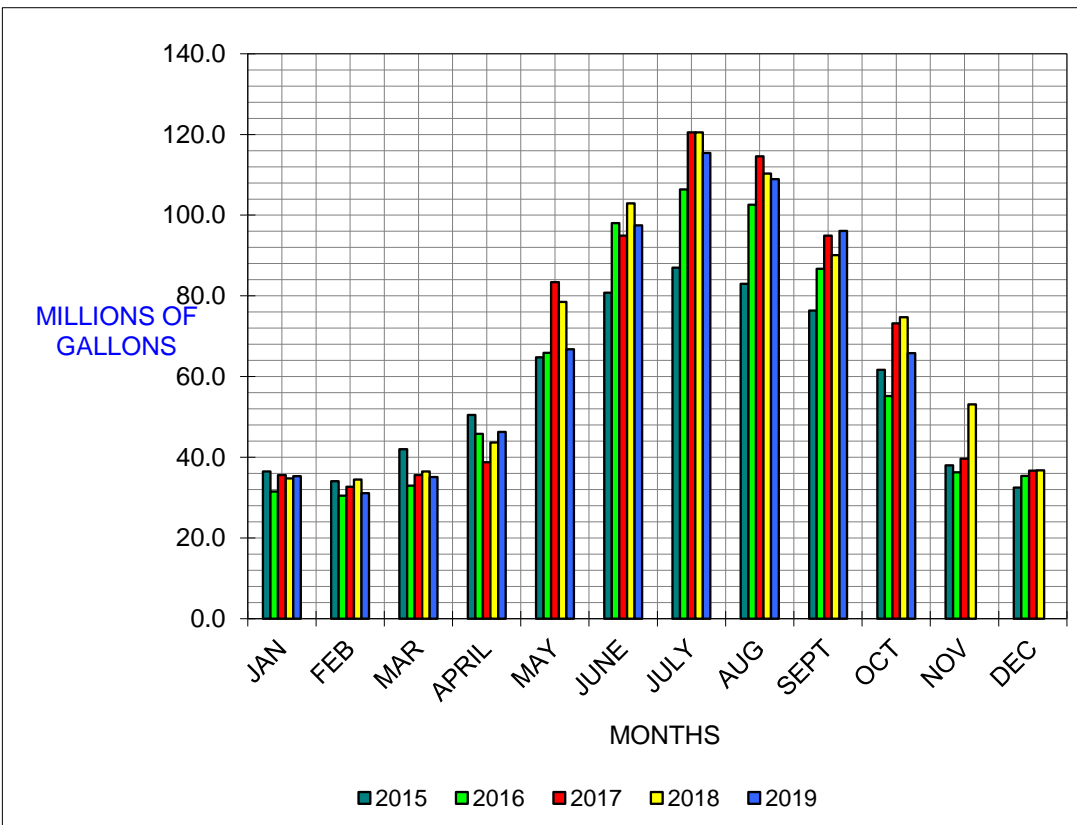
18 - Distribution leaks repaired by District staff, 0 - by Contractor or with Contractor assistance.		
Work Orders Issued - 68	Work Orders Completed - 67	USA's Issued - 78
Meter Downsize Request - 4	Change Out Meter - 1	
Flooding in Neighborhood - 1	General Complaint - 1	
Flow Test - 1	Meter Downsize Request - 4	
Get Current Read - 6	Flooding in Neighborhood - 1	
Line Leak - 7	Flow Test - 1	
Lock Service Off - 2	Get Current Read - 5	
Other Work - 1	Line Leak - 5	
Possible Leak - 13	Lock Service Off - 2	
Pressure Complaint - 2	Other Work - 2	
Pull Meter - 2	Possible Leak - 16	
Re-Install Meter - 1	Pressure Complaint - 2	
New Service Quote - 1	Pull Meter - 1	
Tag Property - 8	Re-Install Meter - 1	
Turn Off Service - 7	New Service Quote - 1	
Turn On Service - 9	Tag Property - 8	
Test Meter - 1	Turn Off Service - 7	
Usage Complaint - 1	Turn On Service - 8	
	Usage Complaint - 1	

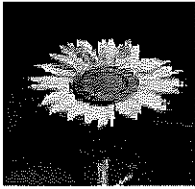
RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

2015 \ 2019

Month	Water Production in Million Gallons						SSWD Water Purchases				
	2015	2016	2017	2018	2019	Avg.	2015	2016	2017	2018	2019
JAN	36.5	31.5	35.6	34.8	35.3	34.7	0.0	0.0	0.0	0.0	0.0
FEB	34.1	30.5	32.7	34.5	31.1	32.6	0.0	0.0	0.0	0.0	0.0
MAR	42.0	33.0	35.6	36.5	35.1	36.4	0.0	0.0	0.0	0.0	0.0
APRIL	50.5	45.8	38.8	43.7	46.3	45.0	0.0	0.0	0.0	0.0	0.0
MAY	64.8	65.9	83.4	78.5	66.8	71.9	0.0	0.0	0.0	0.0	0.0
JUNE	80.8	98.0	94.9	102.9	97.5	94.8	0.0	0.0	0.0	0.0	0.0
JULY	87.0	106.4	120.5	120.5	115.4	110.0	0.0	0.0	0.0	0.0	0.0
AUG	83.0	102.6	114.6	110.3	108.9	103.9	0.0	0.0	0.0	0.0	0.0
SEPT	76.4	86.7	94.9	90.1	96.1	88.8	0.0	0.0	0.0	0.0	0.0
OCT	61.7	55.2	73.2	74.7	65.8	66.1	0.0	0.0	0.0	0.0	0.0
NOV	38.0	36.3	39.7	53.1		41.8	0.0	0.0	0.0	0.0	
DEC	32.5	35.4	36.7	36.8		35.4	0.0	0.0	0.0	0.0	
TOTAL	687.3	727.3	800.6	816.4	698.3	757.9	0.0	0.0	0.0	0.0	0.0





Conservation Report *October 2019*



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Supplies (kits):	Shower heads(0) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(0) Nozzle(0) Toilet Tabs(7) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(30) Welcome Kits(1) Kids Kit(1)
Water Waste (calls, emails, letter, leaks detected, and fixed):	4 Water Waste Call(s) 17 contacts about possible leaks using the AMI system - 5 were called, 8 was mailed, 4 was emailed 8 was confirmed resolved as of 11/5/19
Water Schedule:	given to customers with all violation letters and new applications
Surveys	0
Workshops, Webinar, Meetings:	N/A
Fines:	None
Other Tasks:	<ul style="list-style-type: none"> ● Assisted with payments and new customers ● Printed stamps ● Closed accounts and final billed customers ● Created/completed work orders ● Scanned and uploaded documents into UMS ● Mailed out application requests to new owners ● Entered ACH forms into UMS ● Sent out utility demands ● Called customers with higher than normal water usage ● Disconnect properties with no service application ● Created a New Conservation 48 Hour Tag ● Notified and offered customers the ACH payment method
Grant Updates:	None



Information Items Agenda Item: 5.2

Date: November 18, 2019

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

2. BOARD REPORTS

1. Announce ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Regional Water Authority – Gifford (Primary), Shaw
3. Sacramento Groundwater Authority – Harris (Primary), Reisig
4. LAFCO – Jason Green (nominated)
5. Executive Committee – Harris, Jason Green
6. ACWA/JPIA – Ridilla
7. Ad Hoc Committee's
8. Other Reports

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**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 14, 2019, 9:00 a.m.**

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

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

1. **CALL TO ORDER AND ROLL CALL**
2. **PUBLIC COMMENT**
3. **CONSENT CALENDAR**
 - a. Minutes from the September 12, 2019 RWA regular board meeting
Action: Approve September 12, 2019 RWA Board meeting minutes
4. **EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the August 28, 2019 and September 25, 2019 Executive Committee meetings
5. **APPOINTMENT OF JOSETTE REINA-LUKEN TO RWA BOARD SECRETARY AND TREASURER**
Action: Appoint Josette Reina-Luken to become the RWA Board Secretary and Treasurer
6. **LEGISLATIVE/REGULATORY UPDATE**
Information Presentation: Ryan Ojakian, Legislative and Regulatory Affairs Manager
7. **AGENCY AWARD**
Information and Discussion: Jim Peifer, Executive Director
Action: Recommend adoption of revisions to Policy 100.4 (RWA Awards) by the RWA Board
8. **PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT GRANT**
Information and Update: Rob Swartz, Manager of Technical Services
Action: Adopt Resolution 2019-11 authorizing Submittal of a Proposal to the California Department of Water Resources for an Integrated Regional Water Management Implementation Grant and Execution of a Funding Agreement Upon Award

9. **WATER MANAGEMENT OPTIONS PILOT**
Information Update: Rob Swartz, Manager of Technical Services
Action: Authorize the Executive Director to enter into a Water Management Options Pilot Memorandum of Agreement with the United States Bureau of Reclamation and the Sacramento Groundwater Authority
10. **BAY DELTA VOLUNTARY AGREEMENT UPDATE**
Information Update and Discussion: Kerry Schmitz, Ad Hoc Committee Chair
Presentation: Andy Fecko, Placer County Water Agency
11. **FEDERAL AFFAIRS AD HOC COMMITTEE UPDATE**
Information Update and Discussion: Sean Bigley, Ad Hoc Committee Chair
12. **EXECUTIVE DIRECTOR'S REPORT**
13. **DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, December 11, 2019 at 8:30 a.m. and January 22, 2020 at 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meetings – January 9, 2020 at 9:00 a.m. and March 12, 2020 at the RWA office.

The RWA Board Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the RWA Board electronic packet.

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

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Visitors/Depot Center
 6730 Front Street
 Rio Linda, CA 95673

November 4, 2019
 6:00 p.m.

Minutes: The meeting was called to order at 6:00 P.M. The meeting was attended by Director Harris, Director Green, General Manager Tim Shaw and Contract District Engineer Mike Vasquez. There were no members of the public in attendance.

Call to Order: 6:00 P.M.

Public Comment: None present.

Items for Discussion:

1.	Review and discuss the expenditures of the District for the Month of September 2019.
	<p><i>Directors Green and Harris asked about the Nationwide expenditure. They generally wanted to know if Nationwide is similar to the WageWorks expenditure they've questioned previously, i.e. is it a District expense or is the District passing through the employee paid expense. Nationwide is both. Pursuant to the MOU, all General Unit employees hired after Jan. 1st 2013 (PEPRA) get 3% of their base pay paid by the District into a 457 differed comp. Additionally, employees who want to contribute to the 457 from their own pocket may do so.</i></p> <p><i>Director Harris also enquired about the \$25 expenditure to the Parks District for the Depot. In September Response – The expenditure report is for September. There was only one-day of Depot use in September due to Labor Day.</i></p> <p><i>Director Harris enquired about the garage door repair. Director Harris was unaware that the District has several garage doors at the office compound.</i></p> <p><i>Director Harris enquired about the expenditure for Gerald Wickham retiree medical. Response - The expenditure report is from September.</i></p> <p><i>The Committee forwarded the item to the 11-18-2019 Board agenda with recommendation for Board approval.</i></p>
2.	Review and discuss the financial reports for the Month of September 2019.
	<p><i>The Committee forwarded the item to the 11-18-2019 Board agenda with recommendation for Board approval</i></p>
3.	Discuss the Well 16 Bid Specification.
	<p><i>Mike Vasquez and Tim Shaw presented the item to the Committee including a thorough explanation of District past practices, changes needed to those past practices, and the schedule slippage due to the significant volume of change and review needed to the text documents (not the design drawings).</i></p> <p><i>The committee agreed to the format recommended by Mike and Tim, a relatively concise invitation to bid with incorporation by reference to:</i></p> <ul style="list-style-type: none"> <i>• Sacramento County Construction Specifications.</i> <i>• RLECWD standard construction contract (currently being revised by Legal Counsel</i> <i>• RLECWD service area specific Technical Specifications.</i> <p><i>The Committee forwarded the item to the 11-18-2019 Board agenda with recommendation for Board approval.</i></p>
4.	Discuss the fees for Non-Sufficient Funds (NSF) for returned checks and ACH payment methods.
	<p><i>Tim Shaw explained the absence of coverage for declined ACH payments in Ordinance 2013-1, Exhibit</i></p>

<p><i>5 due to the non-existence of ACH payment method at the District 6-years ago. Tim Shaw further explained the requirement to perform a cost of service analysis instead of just picking a number. ACH declined payment is similar to Non-Sufficient Funds for a bad check. Both ACH and NSF Checks should be analyzed, and the fee established and revised (respectively). Tim Shaw further referenced the Request for Service fee update the District performed earlier this year. The process for ACH declined payments and NSF checks fees will be similar, i.e. a resolution to revise Exhibit 5 of Ordinance 2013-1.</i></p> <p><i>Director Harris requested and received clarification on the cost analysis spreadsheet. The bottom line is at the bottom-right of the report.</i></p> <p><i>The Committee forwarded the item to the 11-18-2019 Board agenda with recommendation for Board approval</i></p>
<p>5. Discuss the Operations Foreman position description.</p>
<p><i>Tim Shaw reiterated the general content of the agenda item report and answered/clarified questions from the Directors on the proposed changes to the recommended pay scale for Operations Foreman.</i></p> <p><i>Director Harris questioned the format of the redline (or track changes) version in the agenda packets where there is no red font (black and white copy).</i></p> <p><i>Director Harris identified an unintentionally omitted deletion of the word "supervise". Tim Shaw confirmed the "supervise" edit will be corrected and the board packet document version will fix the needed deletion of "supervise".</i></p> <p><i>The Committee forwarded the item to the 11-18-2019 Board agenda with recommendation for Board approval</i></p>
<p>6. Discuss the needed changes to Sick Leave policy and Payroll Admin policy in Personnel Handbook.</p>
<p><i>The Committee forwarded the Sick Leave policy revision to the 11-18-2019 agenda.</i></p> <p><i>The Committee forwarded the Payroll Admin Policy revision onto the 11-18-2019 <u>Consent Agenda</u></i></p>
<p>7. Discuss a new policy in Personnel Handbook to clarify how 9/80s alternative work schedules are treated for vacation, sick leave, work on observed holidays etc.</p>
<p><i>The Committee forwarded the item to the 11-18-2019 Board agenda with recommendation for Board approval.</i></p>
<p>8. Update from Contract District Engineer.</p>
<p><i>Mike Vasquez summarized his written report. Director Harris asked several questions about the sealed bidding process for the Well #16 project and why it would cost so much given the well is already drilled. Mike Vasquez and Tim Shaw addressed those questions. Director Harris also questioned the bid response review and award of contract process. Director Harris inquired about the possibility of adjusting the bid response opening and review to occur at the January Executive Committee. Tim Shaw explained that the January Committee meeting is commonly cancelled due to annual changes for Chair, Vice Chair, Committee assignments etc. Board Members assigned to Executive Committee in 2020 may be different. Those Board Members may have different available times.</i></p>

Directors' and General Manager Comments

Director Harris asked why her meter was changed out and why we don't wait until meters are broken prior to changing them. Tim Shaw explained the basic principles of meter maintenance and the financial benefits of being proactive instead of reactive. Subsequent to the Executive Committee, Tim Shaw obtained additional detail on the Mary Harris meter change, which was needed because her meter had stopped transmitting the readings in our AMI system. Tim Shaw updated Director Harris.

Director Green asked about the Electric Avenue small-scale residential development project. Staff provided answers about the infrastructure, number of units, payment of capacity fees and credit/reimbursements for others who may benefit from the infrastructure installed by the Electric Avenue developer.

Items Requested for Next Month's Committee Agenda

- Written policies and new practices to comply with SB-998.

Adjournment

Director Harris adjourned the meeting at 7:00 P.M.

Next Executive Committee meeting: Monday, December 2, 2019 at 6:00 p.m.



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**PENDING AND COMPLETED ITEMS
11-18-2019 BOARD OF DIRECTORS MEETING**

1. **Strategic Planning:** The Board adopted the RLECWD Strategic Plan on 10-21-2019. **Completed**
2. **Update the District's Capital Improvement Projects List.** The October 7th Executive Committee received an update from the District Engineer. The Sept 25th meeting with the District Engineer and Operations Superintendent provided additional refinements. **Pending**
3. **Transition to Outsource printing, folding and mailing of bimonthly bills:** ABS picked up the excess paper and envelopes the District had pre-purchased, which will result in credits for the first outsourced bill printing/ mailing cycle or so. **Pending**
4. **SB-998 Implementation.** Staff is coordinating with other water agencies in our region to share best practices and policies for the new requirements for termination of water services. Tangibly, outsource bill printing, folding, stuffing and mailing will free up person-hours to expend on the new termination of service mandates in SB 998 **Pending**
5. **SB-606 and AB-1668 planning for compliance-** The current rate structure, with high fixed price percentage, limited monetary incentive for conservation, and no distinction/address of indoor water use vs. outdoor water use needs to be studied. **Pending**
6. **SB 13:** Was signed into law on October 13th. We will continue to discuss the needed policy changes associated with SB 13 and Accessory Dwelling Units (ADUs) **Pending**
7. **Annual CAFR:** The CAFR was not ready to include on the November 4th Executive Committee. I placed the report on the November 18th Board agenda despite not having discussed it at the November Executive committee. This is an annual process, and I have an informal goal of reducing the number of items requiring discussing and action on the December agenda due to the number of off days and holidays between the November and December meetings.. **Pending**