

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

August 1, 2022 @ 6:00 P.M.

Visitors Depot Center
6730 Front Street
Rio Linda, CA 95673

THIS MEETING WILL BE PHYSICALLY OPEN TO THE PUBLIC WITH SOME REASONABLE LIMITATIONS PURSUANT
TO CURRENT STATE AND COUNTY GUIDELINES.

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office at the address listed above.

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

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then please contact the District office at (916) 991-1000. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Public Comment

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

Items for Discussion:

1. Engineers Update
2. Status update for Elkhorn & Rio Linda Blvd. lowering and raising water valves (raising iron).
3. Review and discuss the draft, final budget for fiscal year 2022-2023.
4. Report on the direct assessment of delinquent accounts due for submittal to Sacramento County on 8-1-2022.
5. Discuss the process for annual performance review of the General Manager.
6. Discuss alternate date and location for September Executive Committee meeting, first Monday is Labor Day.
7. Evaluate the benefits of purchasing Kindle tablets for Board Members as an alternative to hardcopies of meeting packets.
8. Discuss Expenditures for June 2022.
9. Discuss Financial Reports for June 2022.

Directors' and General Manager Comments:

- a. ACWA Advisory on SB-222
- b. CalPERS Notification on investments performance (negative 6.1%)

Items Requested for Next Month's Committee Agenda

Adjournment

Next Executive Committee meeting: September (TBD), 2022 Visitors/Depot 6730 Front St., Rio Linda, CA 95673

ADA COMPLIANCE STATEMENT

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



Executive Committee Agenda Item: 1

Date: August 1, 2022

Subject: General Status Update from the District Engineer

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

Recommended Committee Action:

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

Current Background and Justification:

Subjects anticipated for discussion include:

1. Annual Pipe Replacement Project – Dry Creek Road
2. Active Developments
 - a. Fox Hollow Residential Development (28 lots, 6th Street between Q Street and S Street)
3. 2020 UWMP

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the August 15, 2022 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 2

Date: August 1, 2022

Subject: Status of Raising Water Valves at Elkhorn and Rio Linda Blvd.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review all documents associated with this item and engage staff in discussion regarding the most appropriate next steps. Then, if deemed necessary and appropriate, forward an item onto the August 15th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

In recent months, the Board has authorized engagement with Sacramento County's contractor for the Elkhorn and Rio Linda Blvd road repair project to lower and raise RLECWD water valves. These 21 water valves would otherwise be covered in asphalt and rendered inoperable. Unfortunately, Sacramento County was unable to cooperate with the District for the raising water valves portion of the project.

Staff has been reaching out to properly license and experienced service providers to obtain the service within the time constraints and for a reasonable charge. Staff will update the Executive Committee with the latest information.

Conclusion:

I recommend the Executive Committee receive the staff report, then provide direction to staff. If necessary and appropriate, the Committee should forward an item onto the August 15th Board agenda.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

PROJECT: Elkhorn and Rio Linda Blvd. Water Valve Box Grade Adjustment

PROJECT NO. 2022-01

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 27th day of July 2022, by and between the Rio Linda Elverta Community Water District, a county water district of the State of California (“District”) and Johnson Construction Company, (“Contractor”) (each individually a “Party” and collectively the “Parties”). There are no other parties to this Agreement.

RECITALS

A. Contractor represents to District that it is a duly qualified and licensed firm experienced in providing Water Valve Box Grade Adjustment services.

B. In the judgment of the Board of Directors of District, it is necessary and desirable to employ the services of Contractor to perform Water Valve Box Grade Adjustment services.

C. Contractor has been selected as sufficiently qualified to Water Valve Box Grade Adjustment services to the District

D. Specific consulting services are described in Exhibit 1. All compensation shall be based the terms provided in this Agreement.

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

AGREEMENT

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

Section 2. Term. This Agreement shall commence on the Effective Date and terminate on 12/31/2022 (“Term”), unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

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

Section 4. Work.

(a) *Services.* Subject to the terms and conditions set forth in this Agreement, Contractor shall perform the Services as described in Exhibit 1. services performed by the Contractor which are beyond the scope of Exhibit 1 shall not receive additional compensation for the performance unless they are approved by the District in writing.

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

Section 5. Time of Performance. Contractor warrants that it will commence performance of the Services within thirty (30) calendar days of the Notice to Proceed (or as described in Exhibit 1) and shall conform to normal and customary standards for services provided. The time of performance is a material term of this Agreement relied on by District in entering into this Agreement.

Section 6. Payment. District shall pay Contractor for all Services described in Exhibit 1 and which are to be performed by Contractor.

District shall pay Contractor within thirty (30) days of Project completion, acceptance of the Services by District, and/or receipt of Contractor's invoice for the Services. All payments will be made in accordance with this Agreement.

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

(a) *Standard of Care.* District has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby warrants that it is qualified to perform the Services as provided in Exhibit 1 and that all of its services will be performed in accordance with the generally accepted contractor practices and standards, in compliance with all applicable federal, state and local laws.

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

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

(d) *No Conflict of Interest.* Contractor represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement. Contractor further promises that in the performance of this Agreement, no person having such interest will be knowingly employed. If requested to do so by District, Contractor shall complete and file, and shall

cause any person doing work under this Agreement to complete and file, a “Statement of Economic Interest” with the Sacramento County Clerk disclosing their financial interests.

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

Section 8. Conformity with Law and Safety. Contractor shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. Contractor’s failure to comply with any laws, ordinances, codes or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

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

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

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

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

Section 11. Ownership and Disclosure of Work Product. District shall be the owner of and shall be entitled to immediate possession of accurate reproducible copies of any design computations, plans, specifications copies of correspondence, maps, or other pertinent data and information gathered or computed by Contractor (“Work Product”) in the performance of and prior to termination of this Agreement by District or upon completion of the work pursuant to this Agreement.

Contractor may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of District, during the term of this Agreement and for a period of one hundred eighty (180) days following expiration of the term of the Agreement.

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

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

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

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

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

Section 13. Liability for Breach. Neither Party waives the right to recover damages against the other for breach of this Agreement including any amount necessary to compensate District for all detriment proximately caused by Contractor’s failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. District reserves the right to offset such damages against any payments owed to Contractor. District shall not in any manner be liable for Contractor’s actual or projected lost profits had Contractor completed the Services required by this Agreement. In the event of Termination by either Party, copies of all finished or unfinished Work Product shall become the property of District. Notwithstanding the above, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue,

arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

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

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

(b) *General Liability.* Contractor shall carry commercial general liability insurance in an amount no less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence, covering bodily injury and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate shall be no less than One Million Dollars (\$1,000,000.00).

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

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

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

(f) *Material Breach.* If Contractor, for any reason, fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. District, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, District may purchase such required insurance coverage, and without further notice to Contractor, District may deduct from sums due to Contractor any premium costs advanced by District for such insurance. These remedies shall be in addition to any other remedies available to District.

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

Contractor, the Contractor waives any and all rights of any type of express or implied indemnity against District and District's Agents. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents under Workers' Compensation acts, disability benefits acts or other employee benefit acts.

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

If to District: Rio Linda Elverta Community Water District
730 L Street
Rio Linda, California 95673
Attention: General Manager
Tel: (916) 991-1000

With courtesy copy to: White Brenner LLP
1414 K Street, 3rd Floor
Sacramento, California, 95814
Attention: Barbara A. Brenner, Esq.
Tel: (916) 468-0950

If to Contractor: Johnson Construction Company
PO Box 6481
Concord, CA 94524
Attention: Nick Breeden
Tel: (925) 370-6067

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

<u>Exhibit Designation</u>	<u>Exhibit Title</u>
Exhibit 1:	Description of Services and Charges.

Section 18. General Provisions.

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

(b) *Waiver.* No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver

of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

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

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

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

(f) *Entire Agreement.* This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

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

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

[SIGNATURES ON FOLLOWING PAGE.]

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

DISTRICT:

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

By: _____
Timothy R. Shaw, General Manager

Date: _____

CONTRACTOR:

Johnson Construction Company _____

By: _____

Print: _____

Title: _____

Date: _____

EXHIBIT 1: SERVICES and CHARGES

Work Scope: Water valve box adjustments to grade shall be performed pursuant to and shall conform to the latest edition of the Rio Linda / Elverta Community Water District Standard Construction Specifications and to the latest edition of the County of Sacramento Standard Construction Specifications and all of its drawings. All work shall conform to the applicable local, state, and federal codes and specifications including OSHA. The Contractor shall be responsible for job safety and traffic control at all times. A project site plan and project location map is included for reference.

Schedule: It is anticipated that the County of Sacramento's paving contractor will install asphalt beginning the week of August 15, 2022, and as such, the Contractor anticipates adjusting water valve boxes to grade in late August 2022. For the purposes of this contract, the Contractor shall complete adjusting all water valve boxes to grade within 20 calendar days after paving is complete.

Budget: The total budget for adjusting up to 25 water valve boxes to grade is a not to exceed total of \$22,500.00. The unit price of adjusting each water valve box is \$900.00. The Contractor has notified the District that existing water valve locations have been recorded with a GPS survey and as such, will be able to identify water valve locations at no cost to the District.

See the following attachments:

- A. Proposal from Johnson Construction Company dated 7/21/2022 for adjusting up to 25 water valve boxes to grade, with a unit price of \$900.00 per water valve box, and a not to exceed total price of \$22,500.00
- B. Project Site Plan
- C. Project Location Map

PROPOSAL



Johnson Construction Company
Utility Adjustments / Asphalt Paving / Rehabilitation

Cal Trans Certified SBE #1752188

P.O. Box 6481
Concord, CA 94524
PH: 925-370-6067
Fax : 925-370-6068
Lic#981209
DIR Registration #1000002380

Job Name Elkhorn Valve Box Adjustments - Sac County
Bid Date July 21, 2022
Estimator Nick Breeden
EXPIRATION DATE **30 Days**

Attn: Mike Vasquez - EKI

Ph:
Fax
Email

Move ins	Addl				
1	\$3,500				

Bid Item	Description	UNIT	QTY	UNIT PRICE	LINE TOTAL
	Raise Water Valve Box to Grade Including New G5 Box if Needed.	EA	25	\$ 900.00	\$22,500.00
Note:	Traffic Control for Valve Box Adjustments is Included in Unit Pricing.				

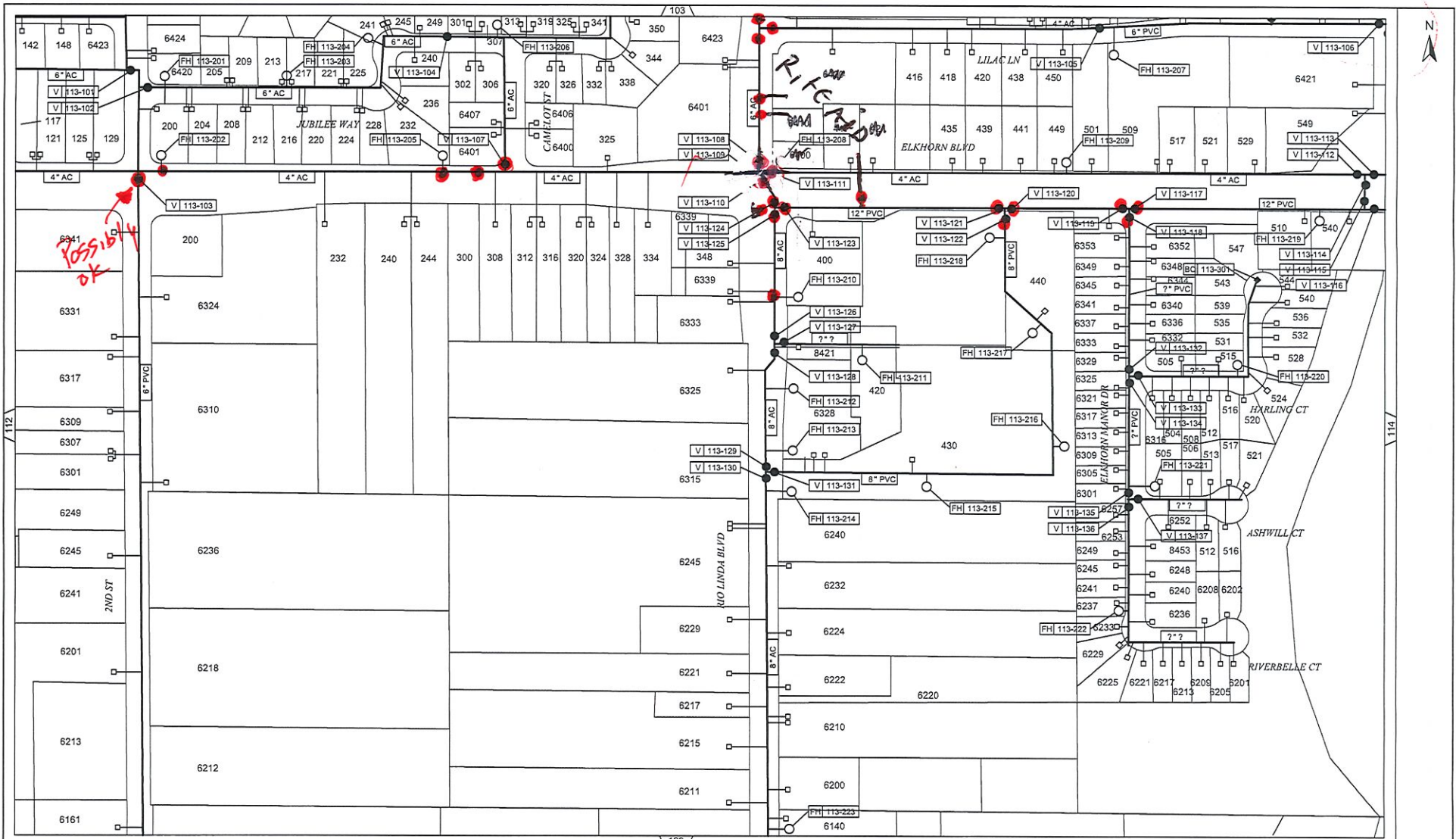
Exclusions: Fees, permits, bonds, engineering, pre and post construction monument survey, survey, corner records, staking, furnishing brass disks for new monuments, QC/QA program, tie-out diagrams, utility company notifications, traffic control plans, CMS boards, existing utility labeling, night work, railroad insurance, waiver of subrogation, local hire agreements, rubberized AC for utility collar paving, utility frames encased in concrete pad, circular sawcutting around utility collars, waterproofing or lining manhole throats/channels, manhole removal or cone chipping, vaults, PGE/Pac Bell/Sprint/ATT Utilities excluded unless identified as individual specific bid items. NOTE: Manholes can be lowered to top of cone only or elevation in bid quote , Water Valves can be lowered to Valve Elevation Only and Monuments to Disk Elevation Only, Maintaining Temporary Paving over Lowered Utilities.

TOTAL \$22,500.00

Signature Authorizing Work: _____ Date: _____

Exhibit 1B - Project Site Plan

24 TOTAL



CONSULTANT:
AFFINITY ENGINEERING
 3433 Mardi Gras Court, Rancho Cordova, CA, 95670
 www.affinityengineering.com

NO.	REVISION DESCRIPTION	BY	DATE

CLIENT:

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

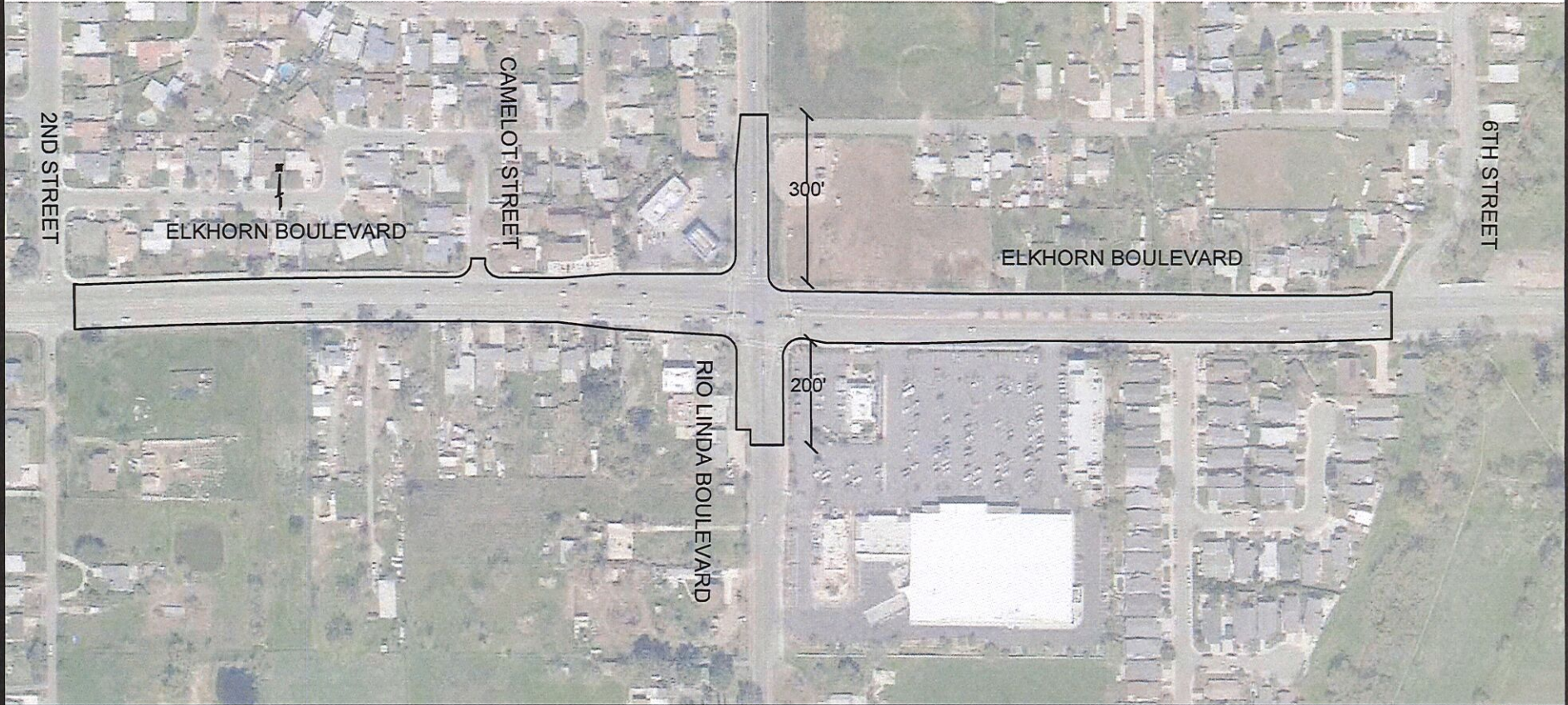
PROJECT:
Water Distribution System Map

SCALE:
 1" = 100'
ATTENTION
 LINE IS 2" AT FULL SIZE
 (SCALE ACCORDINGLY)

SHEET TITLE:
MAP PAGE

PAGE:
113
 MAR 2011

Exhibit 1C - Project Location Map



NOTES:

1. PAVING LIMITS OF ALL ROADS WITHIN PROJECT LIMITS SHALL BE AS SHOWN OR AS MARKED IN THE FIELD BY THE RESIDENT ENGINEER.

COUNTY OF SACRAMENTO PUBLIC WORKS AND INFRASTRUCTURE DEPARTMENT OF TRANSPORTATION	
LIMIT AND CONFORMS ELKHORN BLVD 2ND ST TO 6TH ST	
SCALE: NONE DATE: 11/2021 SHEET: 6 OF 7	CONTRACT: 4522 DRAWN BY: VEH CHECKED BY: KAW



Executive Committee Agenda Item: 3

Date: August 1, 2022

Subject: FY 2022-2023 Final Budget Adoption Process

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee review the draft final budget, seek any clarifications needed, stipulate modifications as appropriate, and consider recommending Board approval.

Current Background and Justification:

The budget adoption process is stipulated in District policy. Such stipulations include consideration by the Board at a public hearing each year. The public hearing has been publicized and the draft, final budget has been prepared by staff.

The Executive Summary included with the draft, final budget provides a synopsis of the proposed budget's correlation to the ongoing financial condition of the District. The District, like nearly all service fee based public agencies, is challenged to address the record level of inflation. If the trend of inflated costs of service continues, along with the mandated water conservation the District may need to re-evaluate prior decisions, e.g., reconsider authorizing the drought emergency volumetric rates and/or deferring the funding for annual pipe replacements in fiscal year 2022-2023.

Conclusion:

I recommend the Executive Committee review the draft final budget, seek clarification and modifications as appropriate, then consider recommending Board approval.



Operating and Capital Budget

Fiscal Year July 1, 2022 – June 30, 2023

Budget prepared by Timothy Shaw, General Manager and District Staff,

8/15/2022 · Original Adoption

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EXECUTIVE SUMMARY

August 15, 2022

Board of Directors
Rio Linda Elverta Community Water District

I hereby submit the Rio Linda/Elverta Community Water District's Fiscal Year 2022-2023 Operating and Capital Budget. The budget document provides detailed information about the District's revenue and expenditure forecast for the next fiscal year and addresses the main points and major decisions made in compiling the budget.

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

Monitoring the budget and responding to both anticipated and unanticipated events is a continuous process. The District maintains a proactive response in regularly performing budget reviews if adjustments are required. The District amended its budget adoption policy in 2019 to:

- Associate the public hearing / public notice requirement with the final budget adoption (in August) instead of the preliminary budget adoption (in May or June).
- Allow for minor budget revisions by the General Manager where the overall spending is not increased. Examples include moving funding from a relatively over-funded (where actual costs have been lower than projected costs) line item to an under-funded line item.

The pending hexavalent chromium (Cr+6) Maximum Contaminant Level (MCL) and other mandates continue to influence our operating and capital budgets. The District's current rate structure (adopted August 2021 partially provides funding for operating costs to comply with the now published re-adoption of the Hexavalent Chromium Maximum Contaminant Level or MCL whereas the 2016 rate structure did not provide any additional funding for operating costs associated with treating drinking water to remove Hexavalent Chromium. Additionally, the rates analysis for the 2016 rates presumed the District would receive Cr+6 mitigation funding through grants and low interest loans, which assumed that the District would qualify as a Disadvantaged Community (DAC). The District is **not currently** eligible by the definitions and requisites established by the California legislature for DAC funding because the median household income for the service area is above the income defined to be disadvantaged. Consequently, the District narrowed its Cr+6 mitigation efforts to two projects, Well #16 Pumping Station, recently completed, and a future wellhead treatment project using ion exchange treatment of existing groundwater facilities.

The District secured a municipal financing loan from Pacific Premier Bank (previously OPUS Bank) using Surcharge #2 as debt service. The construction of the Well #16 Pumping Station was completed in the summer of 2021. Construction of the Well #16 facility, which produces drinking water with hexavalent chromium substantially below the published target MCL. To supplement the current rate structure for

Cr+6 mitigation infrastructure, staff continues to stay abreast of additional funding opportunities as may materialize by legislative or other action.

Some of the anticipated increased operational costs for complying with the Cr+6 MCL have already materialized. The Well 16 Groundwater Pumping Station completion, which is a Cr+6 mitigation project, was added to the list of District facilities (assets). Consequently, the District's property and loss annual insurance premium increased more than 65%.

In the spring of 2022, the Governor declared emergency drought order N-7-22, which compels all California urban water purveyors to declare a 20% water shortfall and implement their corresponding stage of water shortfall contingency plan. In June of 2022, the District conserved 16% compared to the same month in year 2020 (the state's stipulated basis). The rate restructuring adopted by the Board in August 2021 via the Prop 218 process includes a drought rate designed to offset the drop in revenue reasonably anticipated from a mandated conservation. However, the RLECWD Board of Directors has declined to authorize the drought rates. As such, the District needs to be watchful of revenue shortfalls. The potential revenue shortfall is compounded with cost of service increases higher than the assumed 3% inflation. Nearly all services and commodities needed to provide water service has increased beyond the assumed inflation.

In 2019, the District adopted the Capital Improvements Projects List. Such action by the District enables capital budget adoption based on actual projected capital improvement needs instead of the former basis, which was essentially an arbitrary basis formerly associated with an enforcement provision (compliance order). The improved basis for capital budget presents focus, clarity, and transparency. Since the ultimate sources of funding for the capital budget is the operating budget, the two are inextricably linked; benefits to one transcend to the other. Lastly, the cumulative capital budget funding from prior years has been applied to the current capital budget. This provides a realistic gauge of the timing (e.g., when each project will achieve full funding) and annual contribution needed to bring each capital improvement project to fruition. Looking ahead, the District needs to extend this project specific capital budgeting process to include replacing essential, assets, e.g., network servers, vehicles, and mandated planning document (UWMP and Master Plan) updates/renewals.

The District amended its finance policies to reflect statutory requirements and staffing realities. The previous finance policies were adopted after significant findings in annual independent audits performed in 2011 and 2012. The previously adopted finance policies assumed the District staff and/or consultants included the services of a properly credentialed finance officer. The new policies simplify the District's investment options, which are now the right tool for the job. The previous funding for retiree medical was transitioned to the California Employers Retiree Benefit Trust (CERBT), which is generating higher dividends than the prior investment tool. The District's capacity fees were transferred to our Local Agency Investment Fund (LAIF). Capacity fees are by statute "restricted" and should not have been comingled with District capital improvement funds. This will enable required statutory reporting of capacity fee account status. Only the Board, at properly noticed public meetings, can make changes to the District's investments.

Several laws adopted between 2015 and 2018 have current and future increases in operating cost to the District. Some new laws have direct financial burdens and others have burdens via increased demands for staff time by requiring additional reporting and more complex compliance elements. Among these new laws are SB-998, SB-555, SB-606 and AB-1668. The District has partially mitigated the costs and personnel burdens from SB-998, the new requirements for discontinuation of residential water service for non-payment. The District hopes to similarly offset the cost burdens associated with SB-555, the water loss audit and audit validation mandates, by collaborating with neighboring water agencies to share the costs for compliance. The concepts and scope of collaboration has been detailed in a report publish via an organization, the Sacramento Regional Water Utilities. The District formally participated in this regional collaboration study.

The rate structure adopted by the Board in August 2021 is designed for compatibility with new mandates, limits and requirements including the mandates for water loss (SB-555) and water efficiency (SB-606, AB-1668). and mandatory conservation (SB X 7,7). The August 2021 adopted rate structure shifts revenue basis from fixed charges to volumetric charges, which is designed to encourage indoor and outdoor water use efficiency. As such, the District's revenues will be less linear due to seasonal variations in water consumption. Historically, the District's water users have used over three times as much water in warmer months than they use in cooler, winter months.

The District is required to contribute approximately \$31,000 in annual administrative membership dues this fiscal year to the Sacramento Ground Water Authority (SGA) to remain in good standing. The SGA is a Joint Powers Authority (JPA) created to manage and maintain the long-term sustainable yield of the American River North Basin and facilitate the implementation of an appropriate conjunctive use program by water purveyors. SGA has been granted extensive powers and functions to accomplish its sustainable groundwater management mission.

Along with SGA, other water association memberships for the District include Association of California Water Agencies (ACWA), California Special Districts Association (CSDA), and California Rural Water Association (CRWA). We can expect an increase in annual dues from these associations due to record (highest in 40-years) inflation. We can also expect increases in property and workers compensation insurance due to the impact of COVID-19 and wildfires on the insurance industry. The increases in funding for SGA also goes beyond inflation. SGA's operating cost increases also reflect SGA staff additions associated with Groundwater Sustainability Act mandates and an adopted SGA policy for steadily eliminating unfunded pension liabilities.

The District also took actions in the spring of 2021 to decrease its pension unfunded accrued liability via an internal loan, which provides savings in the form of much more favorable funding terms compared to CalPERS. Although this finance strategy significantly lowered the annual CalPERS pension obligation, it will not prevent increased charges associated with CalPERS investments under performing the presumed investment return (7%). In July 2022, CalPERS announced that its investment return is negative 6% or 13% below the assumed rate of return. This under-performance impacts all public agencies in the CalPERS system, and will result in future increases in the annual payments to CalPERS.

In summary, the budget reflects the Board of Directors' priorities and goals which are conveyed to staff and more thoroughly conveyed in the Board's adoption of the Strategic Plan. The budgeting process continues to improve, and the staff has embraced cost avoidance strategies to improve the District's fiscal status wherever feasible. We are taking advantage of joint powers purchasing agreements available only to government agencies. The District is purchasing fuel without the charge for excise taxes, and purchasing equipment to reduce long-term costs. The District is outsourcing where the total cost supports such. We have implemented contract improvements to exercise greater control and focus on our engineering needs. The District has embraced an approach to assure elements are not overlooked and future obligations have a greater amount of lead time for planning and funding.

The District is in the process of engaging a new independent auditing firm. The previous firm is no longer able to perform auditing services for the District due to the unexpected passing of the firm's principal accountant. A new firm is likely to cost more than the charges the District received from the former auditor.

The momentum of improvements in the budget and financial policies is continuing at the District. Sustaining such improvements would not be possible without the cohesiveness of the District Board, District staff, and consultants working toward common goals.

Sincerely,

Timothy R. Shaw, General Manager

UNDERSTANDING THE BUDGET DOCUMENT

On an annual basis, the District's Board of Directors adopts a budget for the subsequent fiscal year. The budget is an instrument used by management to present the proposed plan of financial operations of the District to the Board of Directors. The budget incorporates Operating, Capital, and includes all supporting statements, details, summaries, and other information deemed appropriate by the General Manager.

The budget is divided into several sections as follows:

INTRODUCTION This section contains a description of the District and its organizational structure and budget process.

OPERATING BUDGET This section describes the philosophy and process used to develop the operating budget.

CAPITAL BUDGET This section describes the philosophy and process used to develop the capital budget.

GLOSSARY This section contains a description of the District and its organizational structure and budget process.

Budgetary Control and Process

Budgetary Control

The District prepares budgets as a matter of policy and financial control. The budget is a financial plan detailing operating expenses, capital infrastructure investments, debt obligations, and designation of reserves. The following items are reviewed as part of preparing the budget:

- Assess current conditions and needs, including system quality and safety.
- Develop goals, objectives, policies, and plans based upon the assessment.
- Prioritize projects and develop work programs, based upon short-term and long-term cost effectiveness.
- Implement plans, policies, and assess shortcomings.

Budget Process

The District follows an incremental budgetary process (see glossary), which is prepared on a cash basis and is used as a management tool for projecting and measuring revenues and expenses. To commence the process, the Finance committee provides an extensive review of the proposed budget. After review, the District invites customers to a public hearing so that the District can provide budget information and receive feedback. Public hearings are designed to educate and inform customers about the District's financial operations and requirements. It is during this forum that the budget is adopted by Board of Directors.

To summarize, the District's guideline for its policy, procedures, and timeline involved in creating and approving the annual budget is outlined below.

PRESENTATION AND REVIEW

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

PUBLIC HEARING

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

ADOPTION

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

REVISIONS

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

MINOR ALLOCATIONS AND REVISIONS BETWEEN LINE ITEMS

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

DISTRICT PROFILE

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. The District includes the communities of Rio Linda and Elverta and encompasses approximately 17.8 square miles. The District has 10 full-time employees, a contracted engineer, and an attorney.

The District water system consists of 12 wells and 61.72 miles of distribution mains. The overall system capacity is currently 14.4 MGD. The District pumps approximately 3,000 acre-feet of water annually to its 4,646 customers with a daily average of approximately 2.6 million gallons.

To improve the water system and ensure the delivery of high-quality drinking water to customers, the District constructed Well # 15 in 2012 and a 1.2-million-gallon reservoir tank in 2014. To deemphasize the District's reliance on wells with elevated hexavalent chromium concentrations, the District constructed the Well 16 pumping station in 2021.

District Mission Statement

The mission of the Rio Linda/Elverta Community Water District is to provide, in a manner responsive to District customers, a water supply that is adequate, safe, and potable (according to state and federal standards) and that meets both current and future needs.

District Officials

Board of Directors

Jason A. Green, President/Director

Mary Harris, Director

Chris Gifford, Director

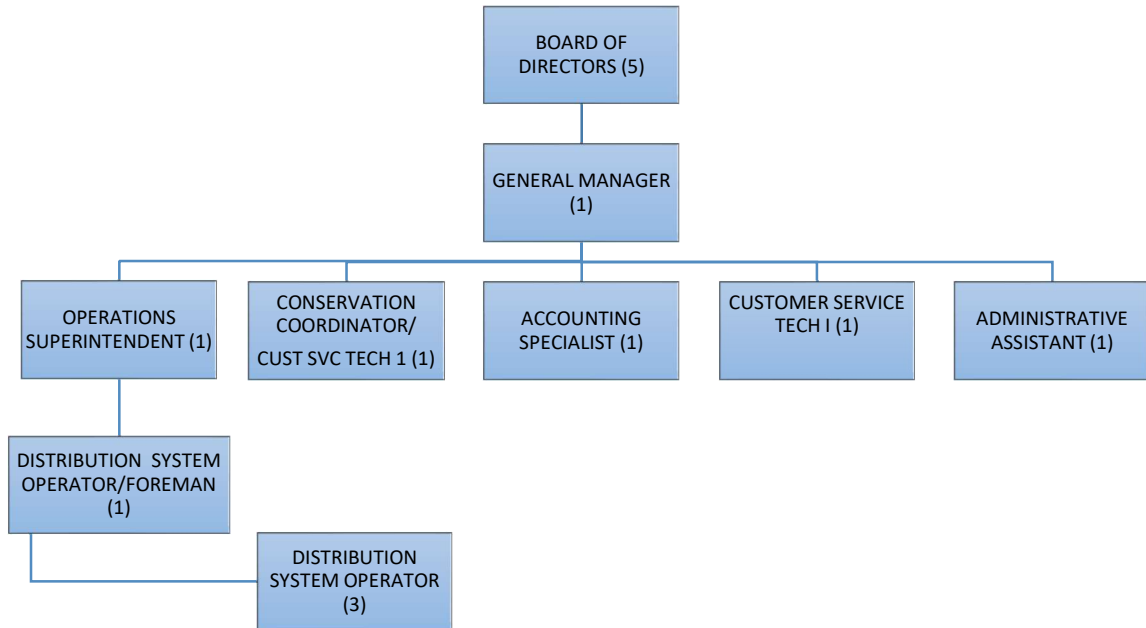
John Ridilla, Director

One Vacant Director to be filled via November 2022 election.

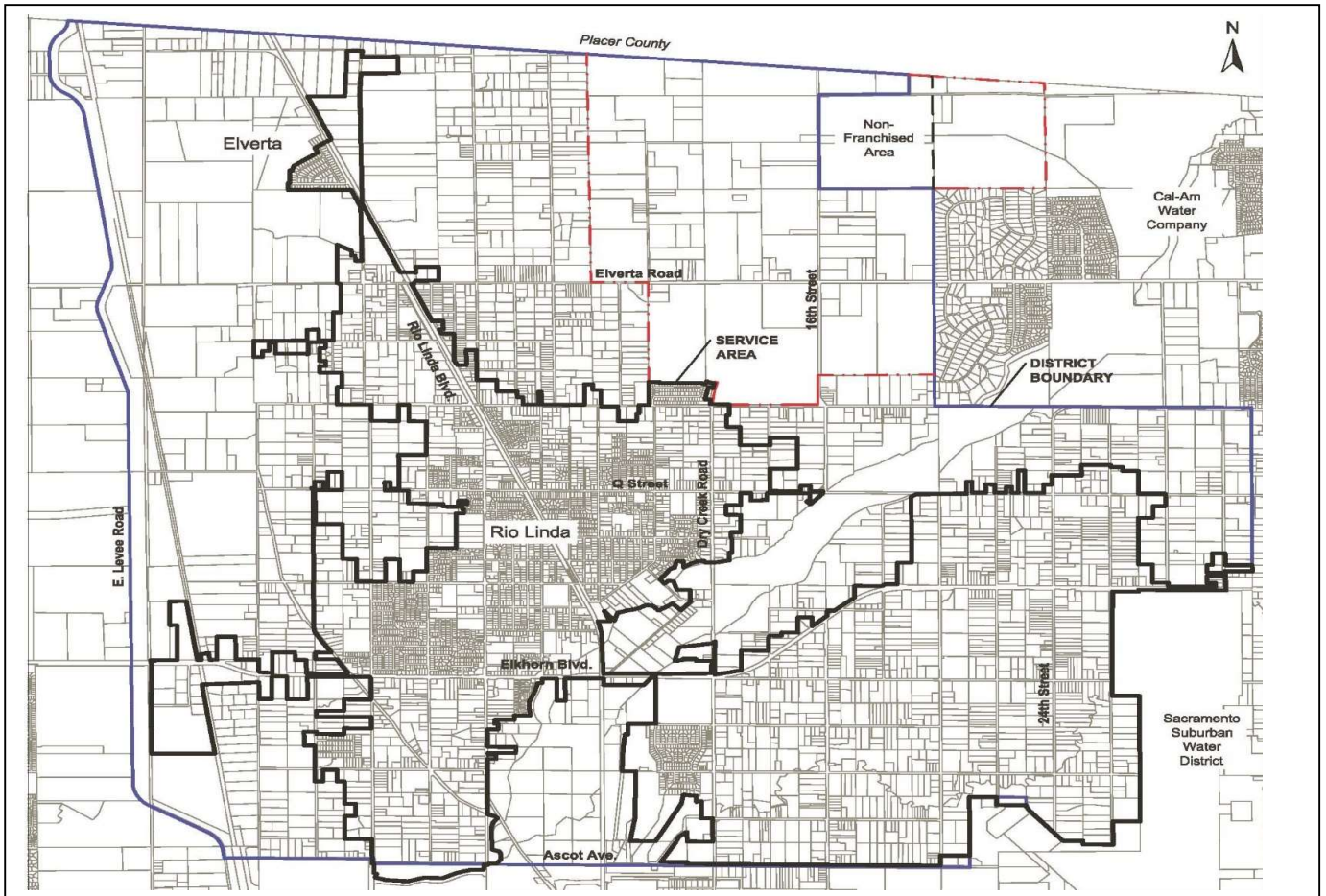
Appointed Official

Timothy Shaw, General Manager

Organizational Structure



Service Area



OPERATING BUDGET

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

The budget is divided into the following categories:

REVENUE – Includes both operating and non-operating revenue.

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

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

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

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

The budget is divided into the following columns:

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

COLUMN 2 - 2020-2021 BUDGET – The prior fiscal year budget.

COLUMN 3 - 2021-2022 BUDGET – The new fiscal year budget.

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

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

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

			2021-2022 UNAUDITED ACTUAL JULY 21-JUN 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
REVENUE							
	40000 OPERATING REVENUE						
	40100 Water Service Rates						
	40101	Basic Service Charge	1,159,261.00	1,242,605.00	1,110,746.00	(131,859.00)	Per Water Rate Study
	40102	Usage Charge	1,301,674.00	1,448,065.00	1,753,654.00	305,589.00	Per Water Rate Study
	40105	Backflow Charge	28,149.00	28,300.00	29,600.00	1,300.00	Per Water Rate Study
	40106	Fire Prevention	22,475.00	20,400.00	23,300.00	2,900.00	Per Water Rate Study
		Total Water Service Rates	2,511,559.00	2,739,370.00	2,917,300.00	177,930.00	
	40200 Water Service Fees						
	40201	Application Fees	10,675.00	6,500.00	6,500.00	0.00	
	40202	Delinquency	93,077.00	90,000.00	90,000.00	0.00	
	40209	Misc. Charges	5,983.00	7,000.00	7,000.00	0.00	
		Total Water Services	109,735.00	103,500.00	103,500.00	0.00	
	40300 Other Water Service Fees						
	40301	New Construction QC	9,988.00	4,000.00	4,000.00	0.00	
	40302	Service Connection Fees	26,027.00	10,000.00	10,000.00	0.00	
	40304	Other Operating Revenue	0.00	31,650.00	6,000.00	(25,650.00)	Decreased for Surplus items sold in previous FY
	40305	Grant Revenue-Operating	0.00	0.00	0.00	0.00	
		Total Other Water Service Fees	36,015.00	45,650.00	20,000.00	(25,650.00)	
	TOTAL OPERATING REVENUE		2,657,309.00	2,888,520.00	3,040,800.00	152,280.00	
	41000 NON-OPERATING REVENUES						
	41110	Investment Revenue	37.00	300.00	35.00	(265.00)	Decreased based on prior FY actual
	41120	Property Taxes & Assessments	109,104.00	95,700.00	109,100.00	13,400.00	Increased based on prior year actual
	TOTAL NON-OPERATING REVENUE		109,141.00	96,000.00	109,135.00	13,135.00	
TOTAL REVENUE			\$2,766,450.00	\$2,984,520.00	\$3,149,935.00	165,415.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

			2021-2022 UNAUDITED ACTUAL JULY 21-JUN 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
OPERATING EXPENSE							
	60010 PROFESSIONAL FEES						
	60011	General Counsel fees-Legal	\$13,115.00	\$15,000.00	\$15,000.00	\$0.00	
	60012	Auditor Fees	12,050.00	12,050.00	23,200.00	11,150.00	Increased to adjust for projected new annual financial auditor contract & GASB 75
	60013	Engineering Services	60,000.00	70,000.00	70,000.00	0.00	
	60015	Other Professional Fees	2,827.00	3,000.00	0.00	(3,000.00)	Decreased to adjust for prior FY Rate Study Consultant
	TOTAL PROFESSIONAL FEES		87,992.00	100,050.00	108,200.00	8,150.00	
	60100 PERSONNEL SERVICES						
	60110 Salaries & Wages						
	60111	Salary - General Manager	120,003.00	119,846.00	120,759.00	913.00	Increased to adjust for projected cost per contract
	60112	Staff Regular Wages	582,200.00	623,806.00	660,234.00	36,428.00	Increased to adjust per MOU 11-12-21; COLA 3.0%; Additional \$20K set aside for COLA MOU re-opener.
	60113	Contract Extra Help	0.00	0.00	0.00	0.00	
	60114	Staff Standby Pay	18,900.00	18,250.00	18,250.00	0.00	
	60115	Staff Overtime Pay	10,208.00	11,000.00	11,000.00	0.00	
	Total Salaries & Wages		731,311.00	772,902.00	810,243.00	37,341.00	
	60150 Employee Benefits and Expenses						
	60151	PERS Retirement	109,090.00	113,300.00	127,292.00	13,992.00	Increased to adjust for projected costs
	60152	Workers Compensation	12,469.00	13,022.00	13,029.00	7.00	Actual Annual Contribution Change
	60153	Medical & Benefit Insurance	163,227.00	202,480.00	224,760.00	22,280.00	Increased to adjust for MOU 11-12-21
	60154	Retirees Insurance	34,406.00	36,200.00	36,200.00	0.00	
	60155	Staff Training	1,194.00	5,000.00	5,000.00	0.00	
	60157	Uniforms	5,368.00	5,400.00	6,750.00	1,350.00	Increased to adjust for projected costs
	60158	Payroll Taxes	59,702.00	60,107.00	63,854.00	3,747.00	Increased to adjust for projected costs
	60159	Payroll Services	1,246.00	1,400.00	1,400.00	0.00	
	60160	457 Employer Contribution	16,098.00	16,150.00	18,055.00	1,905.00	Increased to adjust for MOU 11-12-21
	Total Employee Benefits and Expenses		402,800.00	453,059.00	496,340.00	43,281.00	
	TOTAL PERSONNEL SERVICES		\$1,134,111.00	\$1,225,961.00	\$1,306,583.00	\$80,622.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

			2021-2022 UNAUDITED ACTUAL JULY 21-JUN 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
	60200 ADMINISTRATION						
	60205 Bank and Merchant Fees		\$1,982.00	\$3,500.00	\$3,500.00	\$0.00	
	60207 Board Member/Meeting Expense		13,050.00	14,370.00	14,200.00	(170.00)	Decreased to adjust for projected costs
	60210 Building Expenses						
	60211 Office Utilities		5,965.00	6,750.00	6,750.00	0.00	
	60212 Janitorial		2,340.00	2,340.00	2,340.00	0.00	
	60213 Maintenance		2,467.00	3,200.00	3,200.00	0.00	
	60214 Security		336.00	775.00	775.00	0.00	
	Total Building Expenses		11,108.00	13,065.00	13,065.00	0.00	
	60220 Computer & Equipment Maint.						
	60221 Computer Systems		25,046.00	27,000.00	25,000.00	(2,000.00)	Decreased to adjust for projected costs
	60222 Office Equipment		2,084.00	2,160.00	875.00	(1,285.00)	Decreased to adjust for meeting equipment purchase in prior FY
	Total Computer & Equipment Maint.		27,130.00	29,160.00	25,875.00	(3,285.00)	
	60230 Office Expense		4,070.00	5,225.00	5,225.00	0.00	
	60240 Postage and Delivery		18,243.00	20,000.00	20,000.00	0.00	
	60250 Printing		6,978.00	7,000.00	7,500.00	500.00	Increased for projected costs
	60255 Meetings & Conferences		35.00	500.00	500.00	0.00	
	60260 Publishing		735.00	735.00	735.00	0.00	
	60270 Telephone & Internet		4,454.00	4,450.00	4,750.00	300.00	Increased for projected costs
	60430 Insurance						
	60431 General Liability		26,539.00	26,540.00	29,700.00	3,160.00	Increased to reflect estimated premium
	60432 Property		7,155.00	7,200.00	11,800.00	4,600.00	Increased to reflect estimated premium
	Total Insurance		33,694.00	33,740.00	41,500.00	7,760.00	
	60500 Water Memberships						
	60503 SGA		29,955.00	29,955.00	30,777.00	822.00	Increase per published membership rate
	60504 ACWA		11,140.00	11,140.00	11,697.00	557.00	Increase includes 5% annual increase
	60505 CSDA		7,615.00	7,615.00	7,996.00	381.00	Increase includes 5% annual increase
	60507 CRWA		1,367.00	1,367.00	1,435.00	68.00	Increase includes 5% annual increase
	Total Water Memberships		50,077.00	50,077.00	51,905.00	1,828.00	
	60550 Permits & Fees		37,232.00	37,500.00	37,500.00	0.00	
	60555 Subscriptions & Licensing		1,618.00	2,120.00	2,120.00	0.00	
	60560 Elections		0.00	0.00	3,000.00	3,000.00	Increased for Election Year
	60565 Uncollectable Accounts		2,835.00	2,835.00	2,835.00	0.00	
	60570 Other Operating Expenditures		0.00	500.00	500.00	0.00	
	TOTAL ADMINISTRATION		\$213,241.00	\$224,777.00	\$234,710.00	\$9,933.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

			2021-2022 UNAUDITED ACTUAL JULY 21-JUN 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
	64000 CONSERVATION						
	64001	Community Outreach	0.00	300.00	300.00	0.00	
	64005	Other Conservation Programs	0.00	0.00	0.00	0.00	
	TOTAL CONSERVATION		0.00	300.00	300.00	0.00	
	65000 FIELD OPERATIONS						
	65100 Other Field Operations						
	65110	Backflow Testing	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00	
	65120	Construction Equipment Maintenance	4,883.00	9,000.00	9,000.00	0.00	
	65130	Field Communication	2,479.00	3,400.00	3,400.00	0.00	
	65140	Field IT	23,574.00	35,000.00	35,000.00	0.00	
	65150	Laboratory Services	10,396.00	24,000.00	24,000.00	0.00	
	65160	Safety Equipment	5,536.00	5,000.00	6,000.00	1,000.00	Increased for projected costs
	65170	Shop Supplies	3,094.00	7,000.00	7,000.00	0.00	
		Total Other Field Operations	52,962.00	86,400.00	87,400.00	1,000.00	
	65200	Treatment	22,943.00	25,000.00	25,000.00	0.00	
	65300 Pumping						
	65310	Maintenance	7,848.00	25,000.00	25,000.00	0.00	
	65320	Electricity and Fuel	214,381.00	260,000.00	260,000.00	0.00	
		Total Pumping	222,229.00	285,000.00	285,000.00	0.00	
	65400 Transmission & Distribution						
	65410	Distribution Supplies	49,871.00	59,950.00	59,950.00	0.00	
	65430	Tank Maintenance	850.00	850.00	6,280.00	5,430.00	Increased to adjust for projected costs
	65440	Contract Repairs	2,776.00	20,000.00	20,000.00	0.00	
	65450	Valve Replacements	0.00	15,000.00	15,000.00	0.00	
	65460	Paving Repairs	8,750.00	25,000.00	25,000.00	0.00	
		Total Transmission & Distribution	62,247.00	120,800.00	126,230.00	5,430.00	
	65500 Transportation						
	65510	Fuel	14,272.00	15,000.00	16,000.00	1,000.00	Increased to adjust for projected costs/inflation
	65520	Maintenance	1,725.00	6,000.00	5,000.00	(1,000.00)	Decreased to adjust for increase in GL 65510
		Total Transportation	15,997.00	21,000.00	21,000.00	0.00	
	TOTAL FIELD OPERATIONS		\$376,378.00	\$538,200.00	\$544,630.00	\$6,430.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

			2021-2022 UNAUDITED ACTUAL JULY 21-JUN 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES			\$1,811,722.00	\$2,089,288.00	\$2,194,423.00	\$105,135.00	
NON OPERATING EXPENSES							
	69010 Debt Service						
	69100	Revenue Bond 2015					
	69105	Revenue Bond 2015-Principle	148,158.00	148,158.00	151,273.00	3,115.00	Per Loan Payment Schedule
	69120	Interest	53,111.00	53,111.00	48,650.00	(4,461.00)	Per Loan Payment Schedule
		Total Revenue Bond 2015	201,269.00	201,269.00	199,923.00	(1,346.00)	
	69125	AMI Meter Loan					
	69130	Principle	51,344.00	51,344.00	52,948.00	1,604.00	Per Loan Payment Schedule
	69135	Interest	7,170.00	7,170.00	5,566.00	(1,604.00)	Per Loan Payment Schedule
		Total AMI Meter Loan	58,514.00	58,514.00	58,514.00	0.00	
	69200	PERS ADP Loan					
	69205	Principle	30,000.00	30,000.00	30,000.00	0.00	Per Loan Payment Schedule
	69210	Interest	1,850.00	1,850.00	1,739.00	(111.00)	Per Loan Payment Schedule
		Total PERS ADP Loan	31,850.00	31,850.00	31,739.00	(111.00)	
		69400 Other Non Operating Expense	2,767.00	3,000.00	3,000.00	0.00	
TOTAL NON OPERATING EXPENSES			\$294,400.00	\$294,633.00	\$293,176.00	-\$1,457.00	
TOTAL EXPENSE			\$2,106,122.00	\$2,383,921.00	\$2,487,599.00	\$103,678.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

			2021-2022 UNAUDITED ACTUAL JULY 21-JUN 22	2021-2022 BUDGET	2022-2023 BUDGET	DIFFERENCE	EXPLANATION
NET INCOME (Income-Expense)			\$660,328.00	\$600,599.00	\$662,336.00	\$61,737.00	
OPERATING FUND BALANCE							
	Operating Account Balance June 30			\$1,034,664.00	\$997,613.00		
	Net Revenue			\$600,599.00	\$662,336.00		
	Transfer to GL 10010 Operating Reserve			(\$7,300.00)	(\$28,273.00)	20,973.00	Increased to adjust per policy
	Transfer to Future Imp Projects			(\$28,000.00)	\$0.00	(28,000.00)	Decreased no additional funds needed for Annual Pipeline Replacement
	Transfer Surplus Sales to Capital Improvement: Large Equipment Replacement			(\$25,650.00)	\$0.00	(25,650.00)	Decreased to adjust for prior year surplus revenue.
	Transfer to Capital Improvement Funds			(\$576,700.00)	(\$594,000.00)	17,300.00	Increased to adjust per rate study
	Estimated Operating Fund Balance June 30			\$997,613.00	\$1,037,676.00		
SURCHARGE 1 FUND BALANCE							
	Surcharge 1 Fund Balance June 30			\$663,940.00	\$726,359.00		
	43010	Surcharge Revenue		523,374.00	523,374.00	0.00	
	41110	Investment Revenue		2,500.00	1,000.00	(1,500.00)	Decreased to adjust for projected revenue
	69155	SRF Principle		(369,821.00)	(379,414.00)	9,593.00	Per Loan Payment Schedule
	69160	SRF Interest		(91,534.00)	(81,940.00)	(9,594.00)	Per Loan Payment Schedule
	69220	SRF Administration		(2,100.00)	(2,300.00)	200.00	Increased for projected costs
	Estimated Surcharge 1 Fund Balance June 30			\$726,359.00	\$787,079.00		
SURCHARGE 2 FUND BALANCE							
	Surcharge 2 Fund Balance June 30			\$224,645.00	\$255,085.00		
	43050	Surcharge 2 Revenue		439,019.00	439,019.00	0.00	
	41110	Investment Revenue		800.00	5,000.00	4,200.00	Increased to adjust for projected revenue
		Surcharge 2 Surplus Repayment		(79,747.00)	0.00	(79,747.00)	Last repayment in prior fiscal year
	69180	Principle		(225,000.00)	(230,000.00)	5,000.00	Per Loan Payment Schedule
	69185	Interest		(104,632.00)	(97,170.00)	(7,462.00)	Per Loan Payment Schedule
	Estimated Surcharge 2 Fund Balance June 30			\$255,085.00	\$371,934.00		
LAIF FUND (CAPACITY FEES) BALANCE							
	LAIF Fund Balance June 30			\$304,201.00	\$805,601.00		
	44100	Capacity Fee Revenue		500,000.00	500,000.00	0.00	
	41110	Investment Revenue		1,400.00	1,000.00	(400.00)	Decreased to adjust for projected revenue
	Estimated LAIF Fund Balance June 30			\$805,601.00	\$1,306,601.00		

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
CAPITAL BUDGET
2022-2023**

		GENERAL	FUTURE CAPITAL IMPROVEMENT PROJECTS	VEHICLE & LARGE EQUIPMENT REPLACEMENT	TOTAL
FUNDING SOURCES					
Fund Transfers					
	Operating Fund Transfers In	594,000.00	0.00	0.00	594,000.00
	CIP Fund Intrafund Transfers	(371,737.00)	361,737.00	10,000.00	0.00
	Investment Revenue	85.00	1,849.00	0.00	1,934.00
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS		490,133.00	2,543,951.00	27,948.00	3,062,032.00
PROJECTS					
A · WATER SUPPLY					
	A-1 · Miscellaneous Pump Replacements	40,000.00	0.00	0.00	40,000.00
Total A · WATER SUPPLY		40,000.00	0.00	0.00	40,000.00
B · WATER DISTRIBUTION					
	B-1 · Service Replacements	30,000.00	0.00	0.00	30,000.00
	B-2 · Small Meter Replacements	120,000.00	0.00	0.00	120,000.00
	B-3 · Large Meter Replacements	5,000.00	0.00	0.00	5,000.00
	B-4 · Pipeline Replacement	0.00	478,844.00	0.00	478,844.00
Total B · WATER DISTRIBUTION		155,000.00	478,844.00	0.00	633,844.00
M · GENERAL PLANT ASSETS					
	M-1 · Urban Water Management Plan	50,000.00	0.00	0.00	50,000.00
Total M · GENERAL PLANT ASSETS		50,000.00	0.00	0.00	50,000.00
TOTAL BUDGETED PROJECT EXPENDITURES		245,000.00	478,844.00	0.00	723,844.00



Executive Committee Agenda Item: 4

Date: August 1, 2022

Subject: Direct Assessment for Delinquent Accounts

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should receive a report from staff on the steps and timing for filing direct assessments on the property taxes of delinquent accounts' parcel owners.

Current Background and Justification:

At the 7-18-2022 Board meeting, the Board adopted Resolution 2022-06 for the delinquent accounts direct assessments. Staff has sent notices to all of the record parcel owners listed in Exhibit A to Resolution 2022-06. Staff has also submitted all required documents to Sacramento County.

Conclusion:

This item is informational. Additional Board action is not anticipated unless and until one of the listed parcel owners seeks to appeal the assessment to the RLECWD Board of Directors.



Executive Committee Agenda Item: 5

Date: August 1, 2022

Subject: Annual Performance Review of the General Manager

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should engage staff in discussion of the prescribed process for the annual performance review of the General Manager.

Current Background and Justification:

The Employment Agreement with the General manager stipulates an annual performance review. The process followed for conducting the past annual performance reviews have varied. Some years the Board has established an ad hoc committee and other years, including last year, the Board held a closed session in July, which included a simple finding that the General Manager's performance is satisfactory.

Pursuant to the Employment Agreement, a finding of satisfactory performance is a prerequisite to the Board and General Manger discussing a merit raise, which has been one of the reasons for appointing an ad hoc committee. Last year, subsequent to the finding of satisfactory performance, the Board authorized an addendum to the Employment Agreement with the simple change of increasing the General Manager's deferred compensation (IRS 457 plan) from 1% to 3%. The Board adopted the addendum to the Employment Agreement in open session in October 2021.

Conclusion:

I recommend the Executive Committee seek any clarifications deemed necessary to enable proceeding with the annual performance review of the General Manager.



Executive Committee Agenda Item: 6

Date: August 1, 2022

Subject: Alternative Date and Location for September Executive Committee

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should engage staff in discussion regarding an alternative date and location for the September Executive Committee meeting.

Current Background and Justification:

The Board has established a recurring monthly schedule for the standing committee meetings, i.e., the first Monday of each month. However, several times each year it is necessary to establish alternative meeting dates due to holidays that fall on the first Monday of the month. Labor Day falls on Monday, September 5th.

The arrangement with Rio Linda Elverta Recreation and Parks District (Parks District) for use of the Visitors / Depot is a scheduled reservation on the first and third Mondays of each month. When the date of the RLECWD meeting change is needed, it often also requires a location change due to unavailability of the Visitors / Depot on days other than the first and third Mondays of each month.

Conclusion:

I recommend the Executive Committee the above-described need for alternative meeting date and location (if necessary), then provide direction to staff.



Executive Committee

Agenda Item: 7

Date: August 1, 2022

Subject: Cost Saving Alternative to Hardcopy Meeting Packets

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should engage staff in discussion regarding exploring a cost savings by using tablets (e.g., Kindle Fire HD 10) for Board Members' meeting packets as a lower cost, alternative to printing hardcopies of meeting packets.

Current Background and Justification:

A simple cost benefit analysis indicates the District can save money and produce less landfill waste by offering Board Members an alternative to hardcopies of meeting packets. Additional savings from vehicle operating cost for staff delivery of hardcopies is also a likely benefit.

The current price (not on sale) for a Kindle Fire HD 10 tablet is \$150. The approximate cost for printing meeting packets each month is approximately \$25 (based on the cost for printing each packet of July 2022 RLECWD meetings). As such, the District would save enough to pay for a Kindle Fire HD 10 after only 6-months.

There are several options the District could consider. The District needs to own the tablets, but each Board Member could keep the tablet and turn it in if they resign or loose an election. The logistics can be as easy as mailing the link for the packets to the Board Members' RLECWD email address. The tablets can be set up to receive the RLECWD emails, so that the Board Member can simply click on the link in the email on the tablet. Alternatively, staff can load the tablets with the packets and deliver the tablets to the Board Members similar to the delivery of hardcopy packets.

Kindle Fire HD 10 is occasionally available on sale. The current sale price is \$120. There is no minimum number of Board Members necessary for this to be feasible. Each Board Member who elects to go paperless would save the ratepayers approximately \$25 plus vehicle operating cost and staff person -hours savings from not delivering hardcopy packets.

Conclusion:

I recommend the Executive Committee request any clarification and any additional information. Then, direct staff as appropriate.



Executive Committee Agenda Item: 8

Date: August 1, 2022

Subject: Expenditure Report

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of June 2022, then forward the report onto the August 15, 2022 Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

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

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform them of the District's current financial situation.

**Rio Linda Elverta Community Water District
Expenditure Report
June 2022**

Type	Date	Num	Name	Memo	Amount
Liability Check	06/01/2022	EFT	QuickBooks Payroll Service	For PP Ending 05/28/22 Pay date 06/02/22	19,012.76
Liability Check	06/02/2022	EFT	CalPERS	For PP Ending 05/28/22 Pay date 06/02/22	3,017.94
Liability Check	06/02/2022	EFT	CalPERS	For PP Ending 05/28/22 Pay date 06/02/22	1,149.24
Liability Check	06/02/2022	EFT	Internal Revenue Service	Employment Taxes	7,505.98
Liability Check	06/02/2022	EFT	Employment Development	Employment Taxes	1,512.90
Liability Check	06/02/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,713.94
Bill Pmt -Check	06/02/2022	EFT	Adept Solutions	Computer Maintenance	1,208.00
Check	06/02/2022	EFT	CalPERS	Annual CalPERS CERBT Contribution	20,000.00
Bill Pmt -Check	06/02/2022	EFT	Comcast	Phone/Internet	350.51
Bill Pmt -Check	06/02/2022	EFT	Voyager	Transportation Fuel	297.05
Check	06/02/2022	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
Transfer	06/02/2022	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	44,526.00
Transfer	06/02/2022	EFT	RLECWD	Annual PERS ADP Loan Pmt	31,850.00
Transfer	06/02/2022	EFT	RLECWD	Additional Pipeline Replacement Contribution	28,000.00
Check	06/02/2022	2134	Customer	Final Bill Refund	25.54
Check	06/02/2022	2135	Customer	Final Bill Refund	103.49
Bill Pmt -Check	06/02/2022	2136	ABS Direct	Printing & Postage (includes \$5K Prepaid Deposit)	5,105.86
Bill Pmt -Check	06/02/2022	2137	ACWA/JPIA Powers Insurance Authority	EAP	23.80
Bill Pmt -Check	06/02/2022	2138	BSK Associates	Lab Fees	697.50
Bill Pmt -Check	06/02/2022	2139	Buckmaster Office Solutions	Office Equipment	34.20
Bill Pmt -Check	06/02/2022	2140	Henrici, Mary	Retiree Insurance	906.00
Bill Pmt -Check	06/02/2022	2141	Holt of California	Construction Equipment Maintenance	1,569.28
Bill Pmt -Check	06/02/2022	2142	Ramos Oil	Pumping Maintenance	542.59
Bill Pmt -Check	06/02/2022	2143	RDO Equipment Co.	Construction Equipment Maintenance	747.09
Bill Pmt -Check	06/02/2022	2144	Rio Linda Hardware & Building Supply	Shop Supplies	326.17
Bill Pmt -Check	06/02/2022	2145	Rio Linda Messenger	Computer Maintenance	140.00
Bill Pmt -Check	06/02/2022	2146	RW Trucking	Distribution Supplies	731.30
Bill Pmt -Check	06/02/2022	2147	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	06/02/2022	2148	Sierra Chemical Company	Chemical Supplies	1,103.52
Bill Pmt -Check	06/02/2022	2149	SMUD	Utilities	17,901.78
Bill Pmt -Check	06/02/2022	2150	UniFirst Corporation	Uniforms	365.45
Bill Pmt -Check	06/02/2022	2151	USA BlueBook	Chemical Supplies	1,588.54
Bill Pmt -Check	06/02/2022	2152	Postmaster	Annual PO Box	364.00
Bill Pmt -Check	06/02/2022	2153	Vanguard Cleaning Systems	Janitorial	195.00
Liability Check	06/15/2022	EFT	QuickBooks Payroll Service	For PP Ending 06/11/22 Pay date 06/16/22	18,293.90
Liability Check	06/16/2022	EFT	CalPERS	For PP Ending 06/11/22 Pay date 06/16/22	3,017.94
Liability Check	06/16/2022	EFT	CalPERS	For PP Ending 06/11/22 Pay date 06/16/22	1,149.24
Liability Check	06/16/2022	EFT	Internal Revenue Service	Employment Taxes	7,082.60
Liability Check	06/16/2022	EFT	Employment Development	Employment Taxes	1,412.16
Liability Check	06/16/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,378.69
Bill Pmt -Check	06/16/2022	EFT	PG&E	Utilities	56.31
Bill Pmt -Check	06/16/2022	EFT	Umpqua Bank Credit Card	Computer, Office, Postage, Safety	1,530.37

**Rio Linda Elverta Community Water District
Expenditure Report
June 2022**

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	06/16/2022	EFT	Verizon	Field Communication, Field IT	568.13
Bill Pmt -Check	06/17/2022	EFT	ARCO	Transportation Fuel	1,177.36
Transfer	06/16/2022	EFT	RLECWd	Capacity Fee Transfer	15,000.00
Liability Check	06/16/2022	2154	Teamsters	Union Dues	720.00
Check	06/16/2022	2155	Customer	Final Bill Refund	16.23
Check	06/16/2022	2156	Customer	Final Bill Refund	76.17
Bill Pmt -Check	06/16/2022	2157	EKI Enviornment & Water	Engineering	5,000.00
Bill Pmt -Check	06/16/2022	2158	Intermedia.net	Phone/Internet	81.95
Bill Pmt -Check	06/16/2022	2159	Rio Linda Elverta Recreation	Meeting Expense	50.00
Bill Pmt -Check	06/16/2022	2160	Sierra Chemical Company	Chemical Supplies	2,692.08
Bill Pmt -Check	06/16/2022	2161	Spok, Inc	Field Communication	15.27
Bill Pmt -Check	06/16/2022	2162	Vulcan Materials Company	Distribution Supplies	491.68
Bill Pmt -Check	06/16/2022	2163	Ferguson Enterprises	Capital Improvement: Small Meter Replacement	12,639.08
Liability Check	06/23/2022	EFT	Kaiser Permanente	Health Insurance	1,777.00
Liability Check	06/23/2022	EFT	Principal	Dental & Vision Insurance	1,569.26
Liability Check	06/23/2022	EFT	Western Health Advantage	Health Insurance	10,909.42
Bill Pmt -Check	06/25/2022	EFT	WageWorks	FSA Administration Fee	76.25
Total 10000 - Bank - Operating Account					298,510.22

**Rio Linda Elverta Community Water District
Expenditure Report
June 2022**

Type	Date	Num	Payee	Memo	Amount
Check	06/30/2022	EFT	State Water Resources Control Board	Safe Drinking Water State Revolving Fund Loan Payment	230,677.32

10300 - Surcharge 1 Account **230,677.32**

Type	Date	Num	Payee	Memo	Amount
Transfer	06/02/2022	EFT	RLECWD	Annual CIP Funding Projects Amount	371,418.00
Transfer	06/02/2022	EFT	RLECWD	Surcharge 2 Annual Repayment - Final	79,748.00
Transfer	06/16/2022	EFT	RLECWD	CIP Expense Transfer: Refer to operating check numbers: 2163	12,639.08

10475 - Capital Improvement-Umpqua Bank **12,639.08**



Executive Committee Agenda Item:9

Date: August 1, 2022

Subject: Financial Statements

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of June 2022, then forward the report onto the August 15, 2022 Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

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

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform them of the District's current financial situation.

Rio Linda Elverta Community Water District

Unaudited Balance Sheet

As of June 30, 2022

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 1,452,402.04

Total 10000 · Operating Account 1,452,402.04

10475 · Capital Improvement

10480 · General 334,894.06

10481 · Cr6 Mitigation 454,500.00

10485 · Vehicle Replacement Reserve 17,948.49

Total 10450 · Capital Improvement 807,342.55

10490 · Future Capital Imp Projects 1,710,369.37

Total 100 · Cash & Cash Equivalents 3,970,113.96

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 503,496.22

10300 · Surcharge 1 Account 705,306.54

10350 · Umpqua Bank Debt Service 34,329.34

10380 · Surcharge 2 Account 209,015.13

10385 · OpusBank Checking 557,851.63

Total 102.2 · Restricted for Debt Service 2,009,998.86

102.4 · Restricted Other Purposes

10600 · LAIF Account 410,812.78

10650 · Operating Reserve Fund 309,150.46

Total 102.4 · Restricted Other Purposes 719,963.24

Total 102 · Restricted Assets 2,729,962.10

Total Checking/Savings 6,700,076.06

Accounts Receivable 50,853.80

Other Current Assets

12000 · Water Utility Receivable 57,610.30

12200 · Accrued Revenue 150,000.00

12250 · Accrued Interest Receivable 699.29

15000 · Inventory Asset 36,995.08

16000 · Prepaid Expense 27,823.40

Total Other Current Assets 273,128.07

Total Current Assets 7,024,057.93

Fixed Assets

17000 · General Plant Assets 660,808.50

17100 · Water System Facilites 24,938,800.63

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -10,472,675.54

18000 · Construction in Progress 424,288.05

18100 · Land 576,673.45

Total Fixed Assets 16,500,938.51

Other Assets

18500 · ADP CalPERS Receivable 470,000.00

19000 · Deferred Outflows 729,108.00

19900 · Suspense Account 122.59

Total Other Assets 1,199,230.59

TOTAL ASSETS 24,724,227.03

Rio Linda Elverta Community Water District

Unaudited Balance Sheet

As of June 30, 2022

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 60,830.41

Credit Cards 72.00

Other Current Liabilities 924,087.54

Total Current Liabilities 984,989.95

Long Term Liabilities

23000 · OPEB Liability 81,433.00

23500 · Lease Buy-Back 607,287.27

25000 · Surcharge 1 Loan 3,468,784.61

25050 · Surcharge 2 Loan 2,555,040.16

26000 · Water Rev Refunding 1,658,697.00

26500 · ADP CalPERS Loan 470,000.00

27000 · Community Business Bank 193,071.58

29000 · Net Pension Liability 1,117,944.00

29500 · Deferred Inflows-Pension 39,277.00

29600 · Deferred Inflows-OPEB 74,020.00

Total Long Term Liabilities 10,265,554.62

Total Liabilities 11,250,544.57

Equity

31500 · Invested in Capital Assets, Net 8,593,770.46

32000 · Restricted for Debt Service 705,225.24

38000 · Unrestricted Equity 3,535,043.26

Net Income 639,643.50

Total Equity 13,473,682.46

TOTAL LIABILITIES & EQUITY 24,724,227.03

Rio Linda Elverta Community Water District
Unaudited Operating Profit & Loss Budget Performance
As of June 30, 2022

	<u>Annual Budget</u>	<u>Jun 22</u>	<u>Jul 21-Jun 22</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,888,520.00	159,082.60	2,657,308.90	92.00%	231,211.10
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	300.00	2.81	36.95	12.32%	263.05
Surcharg Total 41110 · Investment Revenue	300.00	2.81	36.95	12.32%	263.05
41120 · Property Tax	95,700.00	0.00	109,103.70	114.01%	-13,403.70
Total 41000 · Nonoperating Revenue	96,000.00	2.81	109,140.65	113.69%	-13,140.65
Total Income	<u>2,984,520.00</u>	<u>159,085.41</u>	<u>2,766,449.55</u>	<u>92.69%</u>	<u>218,070.45</u>
Gross Income	2,984,520.00	159,085.41	2,766,449.55	92.69%	218,070.45
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	100,050.00	11,926.80	87,992.12	87.95%	12,057.88
60100 · Personnel Services					
60110 · Salaries & Wages	772,902.00	87,317.50	731,311.28	94.62%	41,590.72
60150 · Employee Benefits & Expense	453,059.00	61,349.25	402,799.76	88.91%	50,259.24
Total 60100 · Personnel Services	<u>1,225,961.00</u>	<u>148,666.75</u>	<u>1,134,111.04</u>	<u>92.51%</u>	<u>91,849.96</u>
60200 · Administration	224,777.00	14,962.72	213,241.41	94.87%	11,535.59
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	538,200.00	39,982.93	376,377.70	69.93%	161,822.30
Total 60000 · Operating Expenses	2,089,288.00	215,539.20	1,811,722.27	86.72%	277,565.73
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	148,158.00	0.00	148,158.00	100.00%	0.00
69110 · Interest	53,111.00	0.00	53,110.65	100.00%	0.35
Total 69100 · Revenue Bond	<u>201,269.00</u>	<u>0.00</u>	<u>201,268.65</u>	<u>100.00%</u>	<u>0.35</u>
69125 · AMI Meter Loan					
69130 · Principle	51,344.00	0.00	51,344.36	100.00%	-0.36
69135 · Interest	7,170.00	0.00	7,169.56	99.99%	0.44
Total 69125 · AMI Meter Loan	<u>58,514.00</u>	<u>0.00</u>	<u>58,513.92</u>	<u>100.00%</u>	<u>0.08</u>
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	30,000.00	30,000.00	100.00%	0.00
69210 · Interest	1,850.00	1,850.00	1,850.00	100.00%	0.00
Total 69100 · PERS ADP Loan	<u>31,850.00</u>	<u>31,850.00</u>	<u>31,850.00</u>	<u>100.00%</u>	<u>0.00</u>
Total 69010 · Debt Service	291,633.00	31,850.00	291,632.57	100.00%	0.43
69400 · Other Non-Operating Expense	3,000.00	0.00	2,767.00	92.23%	233.00
Total 69000 · Non-Operating Expenses	<u>294,633.00</u>	<u>31,850.00</u>	<u>294,399.57</u>	<u>99.92%</u>	<u>233.43</u>
Total Expense	<u>2,383,921.00</u>	<u>247,389.20</u>	<u>2,106,121.84</u>	<u>88.35%</u>	<u>277,799.16</u>
Net Ordinary Income	<u>600,599.00</u>	<u>-88,303.79</u>	<u>660,327.71</u>		
Net Income	<u><u>600,599.00</u></u>	<u><u>-88,303.79</u></u>	<u><u>660,327.71</u></u>		

Rio Linda Elverta Community Water District
UNAUDITED CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2021-22
 As of June 30, 2022

	GENERAL		FUTURE CAPITAL IMPROVEMENT PROJECTS		VEHICLE & LARGE EQUIPMENT REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	576,700.00	576,700.00	-	-	-	-
CIP Fund Intrafund Transfers	(381,468.00)	(381,418.00)	371,468.00	371,418.00	10,000.00	10,000.00
Fund Transfer from Operating			28,000.00	28,000.00		
Surcharge 2 Surplus Repayment	79,747.00	-	-	-	25,650.10	25,650.10
Investment Revenue	300.00	89.00	125.00	1,981.34	-	-
PROJECTS						
A · WATER SUPPLY						
A-1 · Miscellaneous Pump Replacements	40,000.00	31,417.41				
Total A · WATER SUPPLY	40,000.00	31,417.41	-	-	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	-	-	-	-	-
B-2 · Small Meter Replacements	120,000.00	40,361.00	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	-	-	-	-	-
B-4 · Pipeline Replacement	-	-	450,000.00	-	-	-
Total B · WATER DISTRIBUTION	155,000.00	40,361.00	450,000.00	-	-	-
M · GENERAL PLANT ASSETS						
M-1 · Urban Water Management Plan	50,000.00	-	-	-	-	-
M-2 · Office Air Conditioner Replacement	8,200.00	5,622.00	-	-	-	-
M-3 · Server Replacement	8,000.00	-	-	-	-	-
M-4 · Dump Truck	-	-	-	-	85,000.00	82,707.55
Total M · GENERAL PLANT ASSETS	66,200.00	5,622.00	-	-	85,000.00	82,707.55
TOTAL BUDGETED PROJECT EXPENDITURES	261,200.00	77,400.41	450,000.00	-	85,000.00	82,707.55

Rio Linda Elverta Community Water District
Unaudited Capacity Revenue Profit & Loss Budget Performance
April - June 2022

	<u>Annual Budget</u>	<u>Apr-Jun 22 Current QTR</u>	<u>Jul 21-Jun 22 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	1,400.00	311.67	1,015.83	72.56%	384.17
	<u>1,400.00</u>	<u>311.67</u>	<u>1,015.83</u>	<u>72.56%</u>	<u>384.17</u>
44100 · Capacity Fee Revenue	500,000.00	15,930.37	78,193.07	15.64%	421,806.93
Total Income	<u>501,400.00</u>	<u>16,242.04</u>	<u>79,208.90</u>	<u>15.8%</u>	<u>422,191.10</u>
Gross Income	<u>501,400.00</u>	<u>16,242.04</u>	<u>79,208.90</u>	15.8%	422,191.10
Net Income	<u><u>501,400.00</u></u>	<u><u>16,242.04</u></u>	<u><u>79,208.90</u></u>		

Rio Linda Elverta Community Water District
Unaudited Surcharge 1 Profit & Loss Budget Performance
April - June 2022

	<u>Annual Budget</u>	<u>Apr-Jun 22 Current QTR</u>	<u>Jul 21-Jun 22 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	55.00	69.42	100.0%	-69.42
41112 · Interest Revenue	2,500.00	1,438.79	5,638.56	225.54%	-3,138.56
41113 · Market Value Adjustment	0.00	-5,900.17	-25,670.32	100.0%	25,670.32
	<u>2,500.00</u>	<u>-4,406.38</u>	<u>-19,962.34</u>	<u>-798.49%</u>	<u>22,462.34</u>
43010 · Surcharge 1 Revenue	<u>523,374.00</u>	<u>175,459.89</u>	<u>467,297.32</u>	<u>89.29%</u>	<u>56,076.68</u>
Total Income	<u>525,874.00</u>	<u>171,053.51</u>	<u>447,334.98</u>	<u>85.07%</u>	<u>78,539.02</u>
Gross Income	525,874.00	171,053.51	447,334.98	85.07%	78,539.02
Expense					
69150 · Surcharge 1 Loan					
69155 · Principle	369,821.00	186,103.68	369,833.41	100.0%	-12.41
69160 · Interest	91,534.00	44,573.64	91,521.23	99.99%	12.77
69170 · Admin Fees	2,100.00	507.76	2,120.45	100.97%	-20.45
Total 69150 · Surcharge 1 Loan	<u>463,455.00</u>	<u>231,185.08</u>	<u>463,475.09</u>	<u>100.0%</u>	<u>-20.09</u>
Total Expense	<u>463,455.00</u>	<u>231,185.08</u>	<u>463,475.09</u>		
Net Income	<u><u>62,419.00</u></u>	<u><u>-60,131.57</u></u>	<u><u>-16,140.11</u></u>		

Rio Linda Elverta Community Water District
Unaudited Surcharge 2 Profit & Loss Budget Performance
April - June 2022

	<u>Annual Budget</u>	<u>Apr-Jun 22 Current QTR</u>	<u>Jul 21-Jun 22 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	800.00	20.00	82.72	10.34%	717.28
	<u>800.00</u>	<u>20.00</u>	<u>82.72</u>	<u>10.34%</u>	<u>717.28</u>
43050 · Surcharge 2 Revenue	439,019.00	73,221.18	388,583.23	88.51%	50,435.77
Total Income	<u>439,819.00</u>	<u>73,241.18</u>	<u>388,665.95</u>	<u>88.37%</u>	<u>51,153.05</u>
Gross Income	439,819.00	73,241.18	388,665.95	88.37%	51,153.05
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	225,000.00	0.00	225,000.00	100.0%	0.00
69185 · Interest	104,632.00	0.00	89,381.33	85.42%	15,250.67
Total 69175 · Surcharge 2 Loan	<u>329,632.00</u>	<u>0.00</u>	<u>314,381.33</u>	<u>95.37%</u>	<u>15,250.67</u>
Total Expense	<u>329,632.00</u>	<u>0.00</u>	<u>314,381.33</u>		
Net Income	<u><u>110,187.00</u></u>	<u><u>73,241.18</u></u>	<u><u>74,284.62</u></u>		



PMIA/LAIF Performance Report as of 07/18/22



PMIA Average Monthly Effective Yields⁽¹⁾

June	0.861
May	0.684
Apr	0.523

Quarterly Performance Quarter Ended 06/30/22

LAIF Apportionment Rate ⁽²⁾ :	0.75
LAIF Earnings Ratio ⁽²⁾ :	0.00002057622201151
LAIF Fair Value Factor ⁽¹⁾ :	0.987125414
PMIA Daily ⁽¹⁾ :	0.99%
PMIA Quarter to Date ⁽¹⁾ :	0.69%
PMIA Average Life ⁽¹⁾ :	311

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 06/30/22 \$234.5 billion

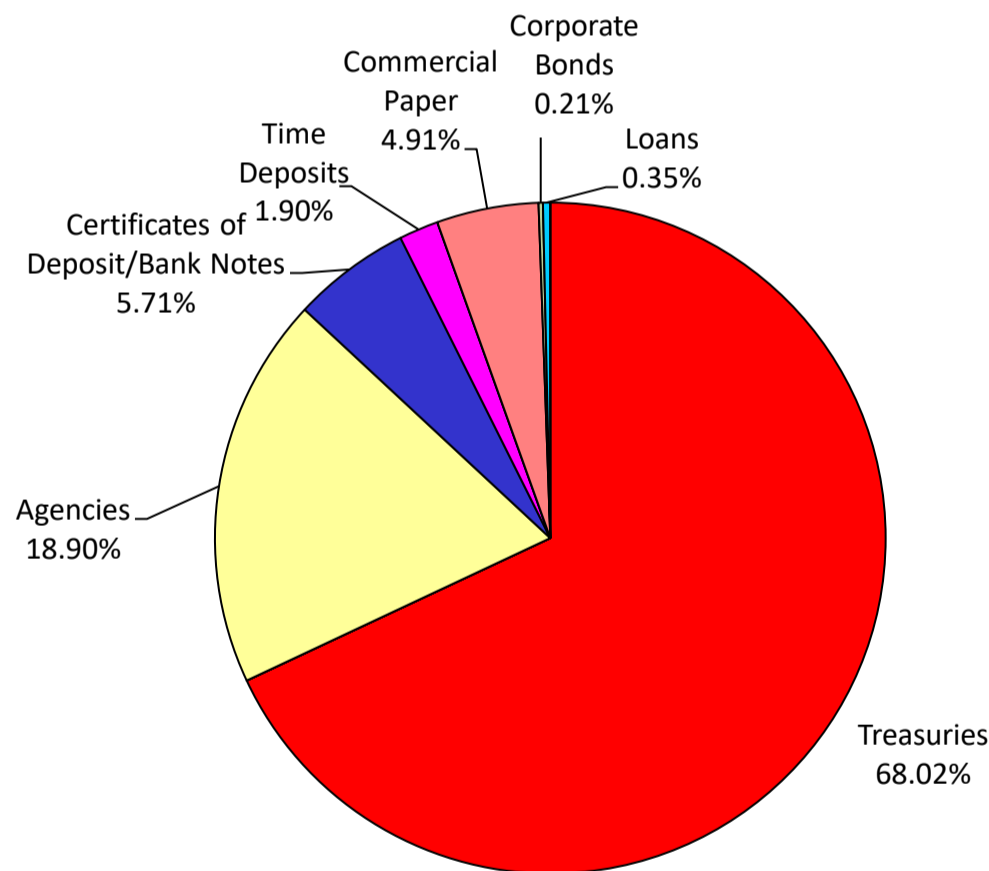


Chart does not include \$4,693,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

Tim Shaw

From: ACWA <acwabox@acwa.com>
Sent: Tuesday, July 26, 2022 2:53 PM
To: Tim Shaw
Subject: Legislative Alert: Join ACWA-Led SB 222 Oppose-Unless-Amended Coalition



Click [here](#) to view it in your browser.



LEGISLATIVE | SB 222
July 26, 2022

**Members Urged to Join ACWA-Led SB 222
(Low-Income Rate Assistance)
Oppose-Unless-Amended Coalition
and Contact Local Assembly Members
to Urge "No" Votes**

ACWA is urging member agencies to join the ACWA-led coalition to oppose SB 222 (Dodd) unless the bill is appropriately amended and contact local assembly members before the Assembly votes on the bill in August.

The bill would require the State Water Resources Control Board to create a Water Rate Assistance Program to provide financial assistance for both drinking water and wastewater services to low-income residential ratepayers. ACWA believes a water and wastewater low-income rate assistance program – if designed in a reasonable, efficient and effective manner – is an appropriate approach. However, the June 23 amendments to the bill raise significant concerns.

ACWA and the coalition successfully advocated last year for amendments to SB 222, enabling ACWA to move to a watch position. However, ACWA's State Legislative Committee moved to an oppose-unless-amended position on the bill at its July 6 meeting because of the new amendments. ACWA has submitted a [coalition letter](#) to

the author expressing concerns, together with a [mockup](#) with ACWA's suggested amendments.

SB 222 is currently at the Assembly Floor, and Senator Bill Dodd (D-Napa) plans on taking up the bill for a vote in August. ACWA is asking members to contact their assembly member(s) at this time – even this week while the legislators are still in their district offices during the July recess.

Take Action Now

1. **Sign on to the SB 222 Oppose-Unless-Amended Coalition** by submitting your agency's logo and signature block (name, title, and agency) to ACWA State Relations Assistant [Kylie Wright](#) and outreach@acwa.com as soon as possible. The date of the vote has yet to be noticed, but it could happen in early August.
2. **Contact your local assembly member(s)** to share your agency's concerns with SB 222 and urge them to vote "No" when the Assembly votes on the bill. ACWA has provided [talking points](#) to assist in those conversations. Legislators' contact information can be found on the Assembly's [website](#).

Questions

For questions about SB 222 or the coalition, please contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#) at (916) 669-2388.

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CalPERS Announces Preliminary Net Investment Return of -6.1% for the 2021-22 Fiscal Year

July 20, 2022

Communications & Stakeholder Relations

Contact: Megan White, Information Officer

(916) 795-3991 - newsroom@calpers.ca.gov

Challenging global public markets, strong private market returns lead to varied performance

SACRAMENTO, Calif. – Tumultuous global markets played a role in CalPERS' first loss since the global financial crisis of 2009, as the System today announced a preliminary -6.1% net return on investments for the 12-month period that ended June 30, 2022. Assets stood at \$440 billion at the end of the fiscal year.

"We've done a lot of work in recent years to plan and prepare for difficult conditions," said CalPERS Chief Executive Officer Marcie Frost. "Despite the market conditions and their impact on our returns, we're focused on long-term performance and our members can be confident that their retirement is safe and secure."

Volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all have had an impact on public market returns. CalPERS' investments in global public stocks returned -13.1%, while fixed income investments returned -14.5%. Public market investments make up roughly 79% of the CalPERS' total fund. CalPERS' private market investments fared much better, with private equity and real assets sectors returning 21.3% and 24.1%, respectively.

"This is a unique moment in the financial markets, and we've seen a deviation from some investing fundamentals," said CalPERS Chief Investment Officer Nicole Musicco. "For instance, our traditional diversification strategies were less effective than expected, as we

saw both public equity and fixed income assets fall in tandem. But despite a challenging year, we were able to outperform our total fund benchmark by 90 basis points and provide strong returns from our private market asset classes. These are bright spots that we can build on as we implement our new strategic asset allocation and increase our exposure to private market assets.”

Total fund annualized returns for the 5-year period ending June 30, 2022 stood at 6.7%, the 10-year period at 7.7%, the 20-year period at 6.9%, and 30-year period at 7.7%.

Asset Class	Net Rate of Return	Policy Benchmark
Total Fund	-6.1%	-7.0%
Public Equity	-13.1%	-13.2%
Fixed Income	-14.5%	-14.5%
Private Equity*	21.3%	8.3%
Real Assets*	24.1%	27.1%
Liquidity	0.3%	0.1%

* Private market asset valuations lag one quarter and are as of March 31, 2022.

With CalPERS’ discount rate of 6.8% and this year’s preliminary return of -6.1%, the estimated overall funded status stands at 72%.

The official total fund performance numbers go through multiple layers of review and oversight. View the Total Fund and Benchmark Performance Calculation – Wilshire Associates (PDF) for more information.

CalPERS' 2021-22 final fiscal year investment performance will be calculated based on audited figures and will be reflected in contribution levels for the State of California and school districts in fiscal year 2023-24, and for contracting cities, counties, and special districts in fiscal year 2024-25.

The ending value of the fund is based on several factors and not investment performance alone. Contributions made to CalPERS from employers and employees, monthly payments made to retirees, investment fees, and the performance of its investments, among other

factors, all influence the ending total value of the PERF.

###

MEDIA ADVISORY

What: Media availability to discuss fiscal year investment returns

Who: CalPERS CEO, CIO, senior investment office staff

When: Wednesday, July 20, at 10 a.m. PT.

Format: Credentialed media only; call 800-369-3154. Password: CalPERS

About CalPERS

For more than eight decades, CalPERS has built retirement and health security for state, school, and public agency members who invest their lifework in public service. Our pension fund serves more than 2 million members in the CalPERS retirement system and administers benefits for more than 1.5 million members and their families in our health program, making us the largest defined-benefit public pension in the U.S. CalPERS' total fund market value currently stands at approximately \$442 billion. For more information, visit www.calpers.ca.gov.