

**MINUTES OF THE JULY 19, 2021
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The July 19, 2021 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor's Depot Center 6730 Front Street, Rio Linda, CA 95673. This meeting was held in accordance with executive order n-29-20, issued by California governor Gavin Newsom on March 17, 2020, the Ralph M. Brown act (California government code section 54950, et seq.), and the federal Americans with disabilities act. Director Gifford led the pledge of allegiance. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, Director John Ridilla, Director Chris Gifford and General Manager Tim Shaw, Legal Counsel Barbara Brenner were present.

2. PUBLIC COMMENT

No public comment.

3 CONSENT CALENDAR

3.1 Minutes – June 30, 2021

3.2 May Expenditures

3.3 May Financial Reports

No public comment.

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

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 Rates Restructuring Workshop. *The Board will participate in a workshop intended to provide accurate information about the proposed rates restructuring.*

The unanticipated postponement of the June 21st rates adjustment public hearing presented an opportunity to, and illustrated and need for, another rate restructuring workshop. The opinions, inaccuracies and misleading information expressed in the media and at the June 21st Board meeting indicate a need to clarify information and correct inaccurate information being disseminated by the organized opposition to the rate restructuring.

The July 6th Executive Committee directed that the workshop be included on the July 19th Board agenda. The Committee further opined that the District should strive to improve the civility and conduct of public members attending the rates restructuring workshop as well as the August 16th public hearing. It behooves the District to hold public meetings where all participants have a right to be heard. The District needs to mitigate against only the loudest and most impatient attendees from shouting out whatever and whenever they want to drown out what others are saying.

The following list of topics are suggested (emphasis added) areas to discuss:

Reasons the rates restructuring is necessary.

State mandates and consequences for failing to meet standards; SB X 77, SB 555, SB 606 and AB 1668

California Constitution Section XIID (AKA Prop 218)

Proportionality requirements, i.e. the prohibition against charging more than the cost of providing service.

“free” 600 cubic feet included with the current fixed charge.

- Amount of reduction in fixed charge compared to being billed for the first 600 cubic feet.
- Cost of service if a customer is using less than (including zero) 600 cubic feet.
- SB 555 Water Loss Audit mandate for “metered, not billed” water.

The misinformation about the percentage of increase for the proposed rates restructuring.

The misinformation about subsequent years in the multi-year rates adjustment, what the Board can and cannot do if the anticipated cost of providing service is greater than (and/or sooner than) the actual cost of providing service.

Percentage of increase:

- Focus on one component of a rate structure vs. the total rate structure impact.
- The actual, widely accepted true formula for computing percentage of increase and percentage of decrease.

Consequences of inability (for any reason) to complete rates restructuring.

- RLECWD plan submittal to the state in 2022 on how the District will achieve all water use efficiency and water loss standards.
- Infeasibility of adopting a 2020 Urban Water Management Plan that would be approved by Dept. of Water Resources.
- Grants and loans ineligibility.
- Vulnerability for litigation.
- Final budget adoption and funding ongoing capital improvements (e.g. pipe replacement) in limbo.

The Directors discussed how to encourage conservation among the top water users.

Public member commented on the watering schedules in 2015 as a practice of conservation.

4.2 General Manager’s Report

The General Manager presented his monthly report and offered to answer any questions the Board may have.

The Board made no action on this item.

4.3 District Engineer's Report – Mike Vasquez

Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board and offered to answer questions. The report highlighted topics of General Engineering, Active Development Reviews, Well 16 Pumping Station Construction Project, and CIP Pipe Replacement Project Request for Proposals (RFP).

The Board made no action on this item.

4.4 Resolution 2021-02, Establishing Procedures for Processing Proposition 218 Protests.

California Constitution XIID (Proposition 218) does not specifically set forth rules concerning the method by which written protest are to be submitted to the District in opposition to the imposition of any new Fees or increase to any existing Fees, or how the District is to tabulate the protests.

The absence of specific rules has shown to enable baseless assertions of non-compliance with Proposition 218 and further lead to delays and additional costs. The District is NOT the only agency to have experienced the concerns and allegations of wrong-doing consequent to the absence of specificity in Proposition 218 for processing protests. As such, many agencies have adopted policies and procedures (Resolutions) for processing Proposition 218 protests.

Legal Counsel has reviewed and revised (minor edits) the draft Resolution, and the version included with your agenda documents includes Legal Counsel edits.

No public comment.

It was moved by Director Ridilla and seconded by Director Green to adopt Resolution No. 2021-02 Establishing Procedures for Processing Proposition 218 Protests. Directors Green, Reisig, Harris, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 5-0-0.

4.5 Necessary deferral (delay) in adopting Fiscal Year 2021/2022 Final Budget.

District policy stipulates the final budget is typically considered via a public hearing for budget adoption traditionally held in August of each year. The unanticipated postponement of the rates restructuring public hearing previously scheduled for June 21, 2021 makes an August 16, 2021 final budget adoption infeasible, the District cannot adopt a final budget if the reasonably anticipated revenue structure has not been adopted.

If the rescheduled public hearing on August 16, 2021 for consideration of the proposed rate restructuring results in Board adoption of the proposed rates restructuring, the Board could consider scheduling a public hearing for adoption of the fiscal year 2021/2022 budget at the September 20, 2021 regular Board meeting.

No public comment.

It was moved by Director Ridilla and seconded by Director Green to postpone the public hearing to consider the Final Budget for the September meeting. Directors Green, Reisig, Harris, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 5-0-0.

4.6 Curtailment of the Urban Water Management Plan Consultant Request for Proposals Process.

The Contract District Engineer reported to the Executive Committee on June 7, 2021 that a draft Request for Proposals (RFP) would be ready for the Committee’s review at the July 6th meeting. The completion of the draft RFP anticipated that the rates adjustment public hearing would take place at the June 21, 2021 Board meeting, and that the associated rates adjustment resolution would be adopted June 21st. Due to the postponement of the rates adjustment public hearing, it is not reasonable to proceed with the process of engaging a consultant for drafting a 2020 UWMP. The published guidelines for preparing 2020 Urban Water Management Plans (UWMP) include conformance with water use efficiency and water loss standards, as well as the mandated 20% conservation by the year 2020 law. The water use efficiency mandates of SB 606 / AB 1668, the water loss standards of SB 555, and 20% conservation mandate are virtually infeasible under the District’s current rate structure. It is recommended to postpone the process of engaging a consultant until after a rates adjustment public hearing is conducted and the associated resolution is adopted.

Postponement of the 2020 UWMP consultant engagement process, although necessary and appropriate, is NOT without consequence. RLECWD will likely be deemed ineligible for grants and low interest loans administered by the state until it adopts a 2020 UWMP that is approved by the Dept. of Water Resources. Grants and loans reasonably anticipated to be on the horizon includes potential funding for hexavalent chromium treatment and reimbursement for non-payments of water bills by customers impacted by COVID-19.

No public comment.

President Green directed staff to table the engagement of a consultant for drafting the 2020 Urban Water Management Plan until after the rate adjustment meeting.

4.7 Consider Request for Waiver of Charges for Cost of Disconnection, Opt Out of Inactive Service fees.

The email thread with the customer requesting a waiver of the fee associated with opting out of inactive service fees are included with the documents associated with this item. Essentially, this customer disagrees with the validity/appropriateness of the inactive service fee, and uses such to justify their request that the fees paid to date should be counted as a credit against the costs for disconnecting the service line, i.e. this customer believes the District should pay the cost for disconnect her service line.

If the Board ultimately is inclined to consider granting this customers request, I recommend seeking Legal Counsel feedback on the ramifications for granting such a request, e.g., does granting the request compel the District to grant all future request with similar facts and circumstances?

No public comment.

It was moved by Director Ridilla and seconded by Director Green to deny the customer’s request for a waiver of the capacity fee to opt out of Inactive Service fees. Directors Green, Reisig, Gifford and Ridilla voted yes. Director Harris voted no. The motion carried with a roll call vote of 4-1-0.

4.8 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065

4.8.1. *Collective Bargaining Agreement Renewal Negotiations Ad Hoc.*

Director Ridilla motioned to have himself and Director Reisig on the Collective Bargaining Agreement Renewal Negotiations AD Hoc Committee. The motion carried with a vote of 5-0-0.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- 5.1.1. Water Operations - Report provided.
- 5.1.2. Completed and Pending Items Report- Report provided.
- 5.1.3 Minor Budget Revision FY 2020/2021 Budget

5.2. BOARD REPORTS

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris, Reisig. – No Meeting.
- 5.2.3. Sacramento Groundwater Authority (RWA and SCGA) 3x3- Reisig-
- 5.2.4 Executive Committee – Green, Reisig - Minutes provided.
- 5.2.5. ACWA/JPIA – Ridilla –Agenda Provided.
- 5.2.6 LAFCo Special District Advisory Committee – Reisig – Reisig announced shutoffs of water service coming Oct. 1st.
- 5.2.7 Minutes of the June 21st regular board meeting (partial failure of the audio recording.

6. Public Comment Prior to Closed Session

No public comment.

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

7.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 case).

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

8. RECONVENE IN OPEN SESSION

8.1 Announce any reportable actions authorized in closed session.

President Green stated no reportable actions were taken during closed session.

9. DIRECTORS’ AND GENERAL MANAGER COMMENTS – No comments are available.

10. ADJOURNMENT

President Green adjourned the meeting at 8:30 p.m.

Respectfully submitted,

Signature on File
Timothy R. Shaw, Secretary

Signature on File
Jason Green, President of the Board