

Agenda
Rio Linda / Elverta Community Water District
Finance / Administrative Committee

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

May 13, 2019
6:30 p.m.

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 fill out the Comment Card and give it to the General Manager. 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. Review and discuss the expenditures of the District for the month of April 2019.
2. Review and discuss the Financial Reports for the month of April 2019.
3. Discuss the preliminary budget process and known and/or reasonably anticipated changes to the revenues and expenses. Examples include, but are not limited to:
 - a. Savings from discontinued District paid convenience fees.
 - b. Withdrawal from RWA Regional Water Efficiency Project participation.
 - c. Increased annual cost for backup of SCADA server and conversion to cloud server for AMI
4. Status of the Service Application Fee Study.
5. Funding for replacing four of the seven desktop computers.
6. Appointments to RWA, SGA, LAFCO, ACWA and ACWA-JPIA.
7. Attorney General Opinion Letter on Water District Board Member Compensation.

Directors' and General Manager Comments

- Discuss the future start times for Finance/Admin Committee meetings.

Items Requested for Next Month's Committee Agenda

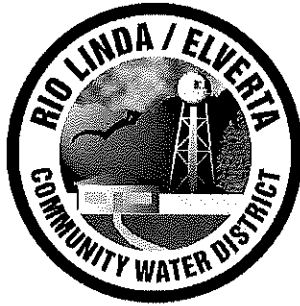
- Continue discussing the District's commercial banking service provider.

Adjournment

Next Finance / Administrative Committee meeting: Monday, June 10, 2019 at 6:30 p.m.

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.



Finance /Administrative Committee Agenda Item: 1

Date: May 13, 2019

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Finance / Administrative Committee approve the Expenditure Summary for the month of April 2019 and forward to the May 20, 2019 meeting of the Board.

Current Background and Justification:

These expenditures were necessary and prudent for operation of the District and consistent with the policies and budget adopted by the Board of Directors. The Expenditure Summary provides the listing of expenditures which have occurred since the last regular meeting of the Board.

Conclusion:

Consistent with the District policies, the Expenditure Summary is to be reviewed by the Finance/Administrative Committee and approved by the Board of Directors.

Rio Linda Elverta Community Water District
Expenditure Report
April 2019

Type	Date	Num	Name	Memo	Amount
Liability Check	04/01/2019	EFT	QuickBooks Payroll Service	For PP Ending 03/29/2019 Paydate 04/02/2019	2,049.96
Bill Pmt -Check	04/02/2019	EFT	WageWorks	Employee Benefits	15.78
Liability Check	04/02/2019	EFT	Internal Revenue Service	Employment Taxes	916.62
Liability Check	04/02/2019	EFT	Employment Development	Employment Taxes	183.06
Liability Check	04/04/2019	EFT	QuickBooks Payroll Service	For PP Ending 03/31/2019 Paydate 04/05/2019	16,350.76
Liability Check	04/05/2019	EFT	CalPERS	For PP Ending 03/31/2019 Paydate 04/05/2019	1,888.01
Liability Check	04/05/2019	EFT	CalPERS	For PP Ending 03/31/2019 Paydate 04/05/2019	1,764.37
Liability Check	04/05/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	04/05/2019	EFT	Nationwide	Employee Benefits	1,249.99
Bill Pmt -Check	04/05/2019	EFT	Adept Solutions	Computer Maintenance	1,109.00
Bill Pmt -Check	04/05/2019	EFT	Comcast	Phone/Internet	416.49
Bill Pmt -Check	04/05/2019	EFT	Republic Services	Utilities	86.37
Liability Check	04/05/2019	EFT	Internal Revenue Service	Employment Taxes	5,535.98
Liability Check	04/05/2019	EFT	Employment Development	Employment Taxes	1,085.18
Paycheck	04/05/2019	5848	Employee	For PP Ending 03/31/2019 Paydate 04/05/2019	277.05
Check	04/05/2019	5849	Void	Void	0.00
Check	04/05/2019	5850	Void	Void	0.00
Liability Check	04/05/2019	5851	Franchise Tax Board	Employee Garnishment	374.09
Check	04/05/2019	5852	RLECVWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Bill Pmt -Check	04/05/2019	5853	ACWA/JPIA	Employee Benefits	23.50
Bill Pmt -Check	04/05/2019	5854	Buckmaster Office Solutions	Office Equipment Expense	144.14
Bill Pmt -Check	04/05/2019	5855	Churchwell White	Legal	5,565.10
Bill Pmt -Check	04/05/2019	5856	Cintas Corporation	Safety	25.33
Bill Pmt -Check	04/05/2019	5857	Corix Water Products	Distribution Supplies	5,877.81
Bill Pmt -Check	04/05/2019	5858	DirectHill Pest Control	Building Maintenance	75.00
Bill Pmt -Check	04/05/2019	5859	EKI Environment & Water	Engineering - Jan/Feb 2019	10,000.00
Bill Pmt -Check	04/05/2019	5860	Elk Grove Security Systems	Security	84.00
Bill Pmt -Check	04/05/2019	5861	Henrici, Mary	Retiree Insurance	900.00
Bill Pmt -Check	04/05/2019	5862	Phelan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	04/05/2019	5863	Quill	Office Expense	186.72
Bill Pmt -Check	04/05/2019	5864	Ramos Oil	Pump Maintenance	408.98
Bill Pmt -Check	04/05/2019	5865	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	50.00
Bill Pmt -Check	04/05/2019	5866	Rio Linda Hardware and Building Supply	Shop Supplies	178.90
Bill Pmt -Check	04/05/2019	5867	Sierra Chemical Company	Chemical Supplies	2,223.62
Bill Pmt -Check	04/05/2019	5868	SMUD	Utilities	9,991.03
Bill Pmt -Check	04/05/2019	5869	Spok, Inc.	Field Communication	15.17
Bill Pmt -Check	04/05/2019	5870	Staples	Office Expense	93.72
Bill Pmt -Check	04/05/2019	5871	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	04/05/2019	5872	Wickham, Gerald	Retiree Insurance	350.70
Bill Pmt -Check	04/05/2019	5873	Churchwell White	Capital Improvement: Well 16	618.80
Bill Pmt -Check	04/05/2019	5874	EKI Environment & Water	Capital Improvement: Well 16	3,087.50
Liability Check	04/15/2019	EFT	WageWorks	Employee Benefits	71.00
Check	04/15/2019	EFT	WageWorks	Employee Benefits	128.80
Check	04/17/2019	EFT	ARCO	Transportation: Fuel	947.33

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

Type	Date	Num	Name	Memo	Amount
Liability Check	04/18/2019	EFT	QuickBooks Payroll Service	For PP Ending 04/15/19 Pay date 04/19/19	17,847.80
Check	04/19/2019	EFT	WageWorks	Employee Benefits	7.60
Liability Check	04/19/2019	EFT	AFLAC	Employee Benefits	651.04
Liability Check	04/19/2019	EFT	CalPERS	For PP Ending 04/15/19 Pay date 04/19/19	1,721.79
Liability Check	04/19/2019	EFT	CalPERS	For PP Ending 04/15/19 Pay date 04/19/19	1,876.56
Liability Check	04/19/2019	EFT	Internal Revenue Service	Employment Taxes	6,018.70
Liability Check	04/19/2019	EFT	Employment Development	Employment Taxes	1,222.74
Liability Check	04/19/2019	EFT	Employment Development	Employment Taxes	2,100.00
Liability Check	04/19/2019	EFT	Nationwide	Employee Benefits	1,143.01
Liability Check	04/19/2019	EFT	Nationwide	Employee Benefits	25.00
Liability Check	04/19/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	04/19/2019	EFT	Kaiser Permanente	Employee Benefits	342.43
Liability Check	04/19/2019	EFT	Principal	Employee Benefits	1,466.53
Liability Check	04/19/2019	EFT	Western Health Advantage	Employee Benefits	12,350.17
Bill Pmt -Check	04/19/2019	EFT	Verizon	Field Communication	382.11
Check	04/19/2019	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,835.00
Check	04/19/2019	EFT	RLECWD - SURCHARGE ACCOUNT 1	Current Monthly Transfer	44,869.03
Check	04/19/2019	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-Monthly Transfer	72,673.83
Check	04/19/2019	EFT	RLECWD - Operating	Transfer funds for Security Deposits paid with Credit Card	900.00
Bill Pmt -Check	04/19/2019	EFT	Bankcard Center 2911	Computer, Meetings, Postage	1,894.97
Bill Pmt -Check	04/19/2019	EFT	Bankcard Center 7806	Dues, Pumping Maintenance	314.33
Check	04/19/2019	EFT	Adept Solutions	Computer Maintenance	500.00
Paycheck	04/19/2019	5875	Employee	For PP Ending 04/15/19 Pay date 04/19/19	184.70
Liability Check	04/19/2019	5876	Teamsters Local #150	Union Dues	552.00
Check	04/19/2019	5877	Customer	Final Bill Refund	60.17
Check	04/19/2019	5878	Customer	Final Bill Refund	100.00
Bill Pmt -Check	04/19/2019	5879	American Mobile Shredding	Office Expense	25.00
Bill Pmt -Check	04/19/2019	5880	BSK Associates	Lab Fees	1,735.00
Bill Pmt -Check	04/19/2019	5881	Churchwell White	Legal	3,227.90
Bill Pmt -Check	04/19/2019	5882	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	04/19/2019	5883	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	04/19/2019	5884	Johnson Controls Fire Protection	Safety	218.82
Bill Pmt -Check	04/19/2019	5885	Oreilly Automotive	Transportation: Maintenance	181.48
Bill Pmt -Check	04/19/2019	5886	PG&E	Utilities	66.63
Bill Pmt -Check	04/19/2019	5887	UniFirst Corporation	Uniforms	233.92
Bill Pmt -Check	04/19/2019	5888	WellTec Inc.	Pump Maintenance	797.35
Bill Pmt -Check	04/19/2019	5889	Placer Title Company	Capital Improvement: Well 16	400.00
Bill Pmt -Check	04/19/2019	5890	Wired and Wireless Low Voltage	Capital Improvement: Phone System	4,446.07
Check	04/30/2019	EFT	WageWorks	Employee Benefits	35.00
Total 10000 - Bank - Operating Account					326,531.29

Accrual Basis

Rio Linda Elverta Community Water District
Expenditure Report
April 2019

10100 - Security Deposits

Type	Date	Num	Payee	Memo	Amount
Transfer	04/20/2018	EFT	RLECWD - Operating Account	March 2019 Security Deposits Applied	1,630.00

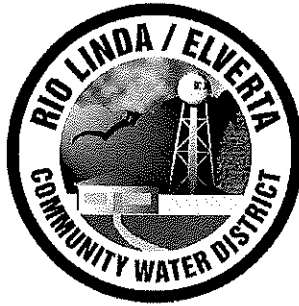
10100 - Security Deposits

1,630.00

Type	Date	Num	Payee	Memo	Amount
Transfer	04/19/2019	EFT	RLECWD - Operating	Transfer see operating checks: Checks #5889 & 5990	4,846.07

10455 - Capital Improvement Reserve

4,846.07



Finance /Administrative Committee Agenda Item: 2

Date: May 13, 2019

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Finance / Administrative Committee review the Finance Reports of the District for the month of April 2019.

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
Balance Sheet
 As of April 30, 2019

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10005 · Operating Fund 439,960.88

10010 · Operating Reserve Fund 250,000.00

Total 10000 · Operating Account 689,960.88

Surcharge 10100 · Trust/Security Deposit Account

44,362.00

10450 · Capital Improvement

10455 · Capital Improvement Fee Reserve 1,082,431.16

10460 · Vehicle Replacement Reserve 10,000.00

10465 · Cr6 Project 100,013.58

Total 10450 · Capital Improvement 1,192,444.74

10600 · LAIF GASB 45 16,355.75

Total 100 · Cash & Cash Equivalents 1,943,123.37

102 · Restricted Assets

102.1 · Restricted Capital Improvements

10700 · ZIONS Inv/Surcharge Reserve 499,800.56

Total 102.1 · Restricted Capital Improvements 499,800.56

102.2 · Restricted for Debt Service

10300 · Surcharge 1 Account 699,682.55

10325 · Community Business Bank 41,431.61

10350 · Umpqua Bank 119,550.50

10350 · Surcharge 2 Account 529,855.12

Total 102.2 · Restricted for Debt Service 1,390,519.78

Total 102 · Restricted Assets 1,890,320.34

Total Checking/Savings 3,833,443.71

Accounts Receivable 5,148.30

Other Current Assets

12000 · Water Utility Receivable 70,339.42

12200 · Accrued Revenue 150,000.00

12250 · Accrued Interest Receivable 2,558.73

15000 · Inventory Asset 95,018.40

16000 · Prepaid Expense 27,260.09

Total Other Current Assets 345,176.64

Total Current Assets 4,183,768.65

Fixed Assets

17000 · General Plant Assets 707,573.63

17100 · Water System Facilities 20,717,058.49

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -8,702,559.39

18000 · Construction in Progress 1,250,105.87

18100 · Land 496,673.45

Total Fixed Assets 14,841,895.47

Other Assets

19000 · Deferred Outflows 347,606.00

19900 · Suspense Account 0.00

Total Other Assets 347,606.00

TOTAL ASSETS 19,373,270.12

Rio Linda Elverta Community Water District

Balance Sheet

As of April 30, 2019

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	11,492.06
Credit Cards	-376.80
Other Current Liabilities	643,786.52

Total Current Liabilities 654,901.78

Long Term Liabilities

23000 · OPEB Liability	262,349.00
23500 · Lease Buy-Back	755,052.27
25000 · Surcharge 1 Loan	4,536,774.26
25050 · Surcharge 2 Loan	105,000.00
26000 · Water Rev Refunding	2,091,606.00
27000 · Community Business Bank	342,485.52
29000 · Net Pension Liability	1,033,555.00
29500 · Deferred Inflows-Pension	33,279.00
29600 · Deferred Inflows-OPEB	8,293.00

Total Long Term Liabilities 9,168,394.05

Total Liabilities 9,823,295.83

Equity

31500 · Invested in Capital Assets, Net	7,519,910.46
32000 · Restricted for Debt Service	699,786.24
38000 · Unrestricted Equity	642,702.76
Net Income	687,574.83

Total Equity 9,549,974.29

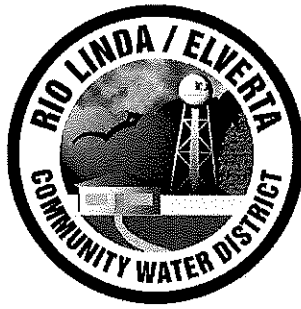
TOTAL LIABILITIES & EQUITY 19,373,270.12

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
April 2019**

	<u>Annual Budget</u>	<u>Apr 19</u>	<u>Jul 18-Apr 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,664,429.00	164,157.75	2,090,610.91	78.46%	573,818.09
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	32.96	394.94	98.74%	5.06
Surcharg Total 41110 · Investment Revenue	400.00	32.96	394.94	98.74%	5.06
41120 · Property Tax	70,000.00	0.00	50,561.64	72.23%	19,438.36
Total 41000 · Nonoperating Revenue	70,400.00	32.96	50,956.58	72.38%	19,443.42
Total Income	<u>2,734,829.00</u>	<u>164,190.71</u>	<u>2,141,567.49</u>	<u>78.31%</u>	<u>593,261.51</u>
Gross Income	2,734,829.00	164,190.71	2,141,567.49	78.31%	593,261.51
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	165,979.00	8,063.50	124,761.43	75.17%	41,217.57
60100 · Personnel Services					
60110 · Salaries & Wages	663,114.00	53,620.33	514,422.29	77.58%	148,691.71
60150 · Employee Benefits & Expense	408,099.00	32,533.09	331,843.31	81.31%	76,255.69
Total 60100 · Personnel Services	<u>1,071,213.00</u>	<u>86,153.42</u>	<u>846,265.60</u>	<u>79.00%</u>	<u>224,947.40</u>
60200 · Administration	257,595.00	9,692.28	207,165.25	80.42%	50,429.75
64000 · Conservation	6,748.00	0.00	5,733.00	84.96%	1,015.00
65000 · Field Operations	423,809.00	15,369.75	323,794.99	76.40%	100,014.01
Total 60000 · Operating Expenses	1,925,344.00	119,278.95	1,507,720.27	78.31%	417,623.73
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	133,163.00	0.00	53,163.00	39.92%	80,000.00
69110 · Interest	65,726.00	0.00	33,260.30	50.60%	32,465.70
Total 69100 · Revenue Bond	<u>198,889.00</u>	<u>0.00</u>	<u>86,423.30</u>	<u>43.45%</u>	<u>112,465.70</u>
69125 · AMI Meter Loan					
69130 · Principle	46,818.00	0.00	46,818.03	100.00%	-0.03
69135 · Interest	11,696.00	0.00	11,695.89	100.00%	0.11
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>
Total 69010 · Debt Service	<u>257,403.00</u>	<u>0.00</u>	<u>144,937.22</u>	<u>56.31%</u>	<u>112,465.78</u>
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	<u>259,403.00</u>	<u>0.00</u>	<u>144,937.22</u>	<u>55.87%</u>	<u>114,465.78</u>
Total Expense	<u>2,184,747.00</u>	<u>119,278.95</u>	<u>1,652,657.49</u>	<u>75.65%</u>	<u>532,089.51</u>
Net Ordinary Income	<u>550,082.00</u>	<u>44,911.76</u>	<u>488,910.00</u>		
Net Income	<u>550,082.00</u>	<u>44,911.76</u>	<u>488,910.00</u>		

CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2018-2019
July 2018 through April 2019

	GENERAL		CONNECTIONS		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
BEGINNING FUND BALANCE	\$ 1,426,064.00	\$ 1,426,064.00	\$ 129,988.00	\$ 129,988.00	\$ (454,317.00)	\$ (454,317.00)	\$ -	\$ -
FUNDING SOURCES								
Fund Transfers								
Operating Fund Transfers In	550,000.00	458,338.00	-	-	-	-	-	-
CIP Fund Intrafund Transfers	(10,000.00)	(10,000.00)	-	-	-	-	10,000.00	10,000.00
Surcharge 2 Surplus Repayment	-	-	-	-	435,752.00	-	-	-
Contributed Funding								
Capacity Fee Revenue	-	-	40,000.00	28,124.02	-	-	-	-
Contributed Facilities (Developers)	-	-	-	-	-	-	-	-
Grant Revenue	-	-	-	-	20,000.00	-	-	-
Loan Proceeds	35,212.00	25,000.00	18,055.00	18,055.00	2,468,239.00	95,859.18	30,000.00	-
Investment Revenue	350.00	625.95	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,001,626.00	1,900,027.95	188,043.00	176,167.02	2,469,674.00	(358,457.82)	40,000.00	10,000.00
PROJECTS								
A - WATER SUPPLY								
A-1 - Well 10 - Cr6 Treatment	-	-	-	-	40,000.00	-	-	-
A-2 - Well 16	-	-	-	-	2,448,239.00	13,778.80	-	-
A-3 - Well 17	28,000.00	-	-	-	-	-	-	-
A-4 - Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-	-	-
Total A - WATER SUPPLY	68,000.00	-	-	-	2,488,239.00	13,778.80	-	-
B - WATER DISTRIBUTION								
B-1 - System Valve Replacements	30,000.00	-	-	-	-	-	-	-
B-2 - Paving Replacements	25,000.00	-	-	-	-	-	-	-
B-3 - Service Replacements	35,000.00	29,609.50	-	-	-	-	-	-
B-4 - Large Meter Replacements	5,000.00	-	-	-	-	-	-	-
Total B - WATER DISTRIBUTION	95,000.00	29,609.50	-	-	-	-	-	-
M - GENERAL PLANT ASSETS								
M-1 - Ice Machine	2,804.00	2,803.96	-	-	-	-	-	-
M-2 - Billing Software Upgrade	25,000.00	25,000.00	18,055.00	16,835.00	-	-	-	-
M-3 - Office Furniture & Equipment	10,212.00	4,446.07	-	-	-	-	-	-
M-4 - Truck	-	-	-	-	-	-	30,000.00	-
Total M - GENERAL PLANT ASSETS	38,016.00	32,250.03	18,055.00	16,835.00	-	-	30,000.00	-
C - CONTINGENCY								
C-1 - Contingency (10% of Est A,B,M, & FO)	20,101.60	-	1,805.50	-	248,823.90	-	3,000.00	-
TOTAL BUDGETED PROJECT EXPENDITURES	221,117.60	61,859.53	19,860.50	16,835.00	2,737,062.90	13,778.80	33,000.00	-
ENDING FUND BALANCE	\$ 1,780,508.40	\$ 1,838,168.42	\$ 168,182.50	\$ 159,332.02	\$ (267,388.90)	\$ (372,236.62)	\$ 7,000.00	\$ 10,000.00



Finance /Administrative Committee Agenda Items: 3, 3a, 3b and 3c

Date: May 13, 2019

Subject: Preliminary Budget Process and Known /Anticipated Changes to Revenues and Expenses.

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance / Administrative Committee should review the preliminary budget supporting documentation and forward the item(s) to the May 20th Board agenda as a discussion item (not ready for action)

Current Background and Justification:

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

This year, however, the District is on the cusp of completing negotiations for a renewal MOU. Adoption of a preliminary budget that does not reflect the anticipated changes to spending may be deleterious to the negotiation process. I recommend the District patiently wait until the June meeting to adopt a preliminary budget.

In the meantime, it is appropriate to review known and reasonably anticipated changes to revenues and expenses, excluding those associated with negotiations.

- Staff anticipates a savings of approximately \$26,000 per year from discontinuing District paid convenience fees for customer credit card payments.
- There is an approximate \$5,000 per year savings to the District for discontinuing RLECWD participation in the RWA Water Efficiency Project.

- There is an anticipated \$3,000 annual increase in cost for AMI meter server conversion to cloud based service.
- There is an anticipated \$3,000 annual increase to resume (assuming they were previously performed) backing up the SCADA module (similar to a server). Adept Solution IT services consultant will be at the Committee to explain the need and methods for backing up the SCADA unit.

Conclusion:

I recommend the Finance Committee receive the written report, supporting documents and oral presentation from staff and consultants. Then consider forwarding an information item onto the May 20th Board agenda.

DRAFT

**DRAFT
OPERATING BUDGET
2019-20**

		2018-2019 ACTUAL JULY 18-MAR 19	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
REVENUE						
40000 OPERATING REVENUE						
40100 Water Service Rates						
40101	Basic Service Charge	1,240,517.00	1,863,992.00	1,901,272.00	37,280.00	Ordinance 2016-02 Increase; Water Rate Study Table 2.1
40102	Usage Charge	551,914.00	637,187.00	656,303.00	19,116.00	Ordinance 2016-02 Increase; Water Rate Study Table 2.1
40105	Backflow Charge	21,510.00	25,000.00	25,000.00	0.00	
40106	Fire Prevention	11,370.00	10,600.00	11,225.00	625.00	Increased to adjust for projected revenues
Total Water Service Rates		1,825,311.00	2,536,779.00	2,593,800.00	57,021.00	
40200 Water Service Fees						
40201	Application Fees	9,600.00	15,000.00	6,500.00	(8,500.00)	Decreased to adjust for a lower fee based on actual cost to process applications
40202	Delinquency	18,865.00	26,000.00	80,000.00	54,000.00	Increased to include Late, Notice Tag & Shutoff Charges; Previously Late Penalty Fee; includes prior year budget 40202 & 40203
40203	Disconnect Tag/NSF Fee	47,225.00	54,000.00	0.00	(54,000.00)	Account no longer used; see 40202
40204	Termination/Reconnection	4,240.00	7,000.00	0.00	(7,000.00)	Account no longer used; see 40209
40209	Misc. Charges	642.00	2,000.00	12,000.00	10,000.00	Account previously Other Account Service Fees; Budget includes prior year budgeted GL 40209, 40204, and 40303.
Total Water Services		80,572.00	104,000.00	98,500.00	(5,500.00)	
40300 Other Water Service Fees						
40301	New Construction QC	3,995.00	4,000.00	4,000.00	0.00	
40302	Service Connection Fees	8,300.00	10,000.00	10,000.00	0.00	
40303	Other Field Service Fees	1,410.00	3,000.00	0.00	(3,000.00)	Account no longer used; see 40209
40304	Other Operating Revenue	6,665.00	6,000.00	6,000.00	0.00	
40305	Grant Revenue-Operating	200.00	650.00	0.00	(650.00)	Decreased to eliminate Rebate Program
Total Other Water Service Fees		20,570.00	23,650.00	20,000.00	(3,650.00)	
TOTAL OPERATING REVENUE		1,926,453.00	2,664,429.00	2,712,300.00	47,871.00	
41000 NON-OPERATING REVENUES						
41110	Investment Revenue	362.00	400.00	400.00	0.00	
41120	Property Taxes & Assessments	50,562.00	70,000.00	70,000.00	0.00	
TOTAL NON-OPERATING REVENUE		50,924.00	70,400.00	70,400.00	0.00	
TOTAL REVENUE		\$1,977,377.00	\$2,734,829.00	\$2,782,700.00	47,871.00	

DRAFT

DRAFT

**DRAFT
OPERATING BUDGET
2019-20**

		2018-2019 ACTUAL JULY 18-MAR 19	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
OPERATING EXPENSE						
60010 PROFESSIONAL FEES						
60011	General Counsel fees-Legal	\$41,294.00	\$65,000.00	\$65,000.00	\$0.00	
60012	Auditor Fees	13,379.00	13,379.00	10,731.00	(2,648.00)	Decreased to adjust for GASB 75 (replaced GASB 45) non full actuarial year; includes 2.5% increase annual financial audit
60013	Engineering Services	51,240.00	70,000.00	70,000.00	0.00	
60015	Other Professional Fees	10,785.00	17,600.00	25,000.00	7,400.00	Increased to project for Prop 218 rate study contract
TOTAL PROFESSIONAL FEES		116,698.00	165,979.00	170,731.00	4,752.00	
ALL ACCOUNTS UNDER 60110 & 60150 WILL BE ADJUSTED AFTER MOU NEGOTIATION RELATED TO SALARIES & WAGES						
60100 PERSONNEL SERVICES						
60110	Salaries & Wages					
60111	Salary - General Manager	77,395.00	109,664.00	113,344.00	3,680.00	
60112	Staff Regular Wages	363,772.00	525,000.00	525,000.00	0.00	
60113	Contract Extra Help	0.00	0.00	0.00	0.00	
60114	Staff Standby Pay	12,900.00	18,250.00	18,250.00	0.00	
60115	Staff Overtime Pay	6,735.00	10,200.00	10,200.00	0.00	
Total Salaries & Wages		460,802.00	663,114.00	666,794.00	3,680.00	
60150 Employee Benefits and Expenses						
60151	PERS Retirement	102,652.00	138,987.00	116,275.00	(22,712.00)	
60152	Workers Compensation	10,798.00	14,937.00	14,937.00	0.00	
60153	Medical & Benefit Insurance	120,222.00	160,000.00	203,340.00	43,340.00	
60154	Retirees Insurance	15,459.00	22,110.00	22,110.00	0.00	
60155	Staff Training	1,112.00	3,500.00	5,000.00	1,500.00	Increased to combine with GL 60156 prior year budget
60156	Management Training	0.00	1,500.00	0.00	(1,500.00)	Decreased to eliminate account & combine with GL 60155
60157	Uniforms	2,537.00	4,350.00	4,650.00	300.00	
60158	Payroll Taxes	39,643.00	53,400.00	53,400.00	0.00	
60159	Payroll Services	618.00	550.00	1,200.00	650.00	Increased to adjust for projected costs related to FSA Plan
60160	457 Employer Contribution	6,270.00	8,765.00	8,765.00	0.00	
Total Employee Benefits and Expenses		299,311.00	408,099.00	429,677.00	21,578.00	
TOTAL PERSONNEL SERVICES		\$760,113.00	\$1,071,213.00	\$1,096,471.00	\$25,258.00	

DRAFT

**DRAFT
OPERATING BUDGET
2019-20**

DRAFT

		2018-2019 ACTUAL JULY 18-MAR 19	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
60200 ADMINISTRATION						
60205	Bank and Merchant Fees	\$21,880.00	\$26,000.00	\$4,500.00	(\$21,500.00)	Decrease to adjust for Merchant Fees result of Convenience Fee policy
60207	Board Meeting Expense	10,875.00	16,770.00	15,770.00	(1,000.00)	Decreased due to less ad hoc and special meeting compared to previous FY
60210	Building Expenses					
60211	Office Utilities	4,269.00	6,000.00	6,000.00	0.00	
60212	Janitorial	1,755.00	2,340.00	2,340.00	0.00	
60213	Maintenance	3,807.00	7,500.00	7,500.00	0.00	
60214	Security	252.00	400.00	400.00	0.00	
	Total Building Expenses	10,083.00	16,240.00	16,240.00	0.00	
60220	Computer & Equipment Maint.					
60221	Computer Systems	18,912.00	23,000.00	25,000.00	2,000.00	Increased based on prior year actual expense Increased to adjust for Neopost Maintenance Contract
60222	Office Equipment	2,661.00	2,200.00	3,650.00	1,450.00	
	Total Computer & Equipment Maint.	21,573.00	25,200.00	28,650.00	3,450.00	
60230	Office Expense	3,961.00	7,000.00	7,000.00	0.00	
60240	Postage and Delivery	14,030.00	17,500.00	20,000.00	2,500.00	Increased to project for Prop 218 mailing
60250	Printing	4,171.00	4,500.00	3,400.00	(1,100.00)	Decreased to omit cost of billing return envelope
60255	Meetings & Conferences	4,784.00	10,000.00	4,000.00	(6,000.00)	Decreased to omit cost of ACWA conference
60260	Publishing	514.00	1,300.00	800.00	(500.00)	Decreased using prior year actual
60270	Telephone & Internet	3,738.00	5,500.00	5,500.00	0.00	
60430	Insurance					
60431	General Liability	16,360.00	22,997.00	22,997.00	0.00	
60432	Property	3,997.00	5,329.00	5,329.00	0.00	
	Total Insurance	20,357.00	28,326.00	28,326.00	0.00	
60500	Water Memberships					
60501	SAWWA	103.00	225.00	110.00	(115.00)	Decreased to include only 1 staff membership
60502	Regional Water Authority	9,667.00	9,667.00	9,667.00	0.00	
60503	SGA	24,866.00	24,866.00	24,866.00	0.00	
60504	ACWA	9,450.00	9,450.00	9,923.00	473.00	Increase includes 5% annual increase
60505	CSDA	6,740.00	6,740.00	7,077.00	337.00	Increase includes 5% annual increase
60506	AWWA	0.00	420.00	0.00	(420.00)	Decreased to cancel membership
60507	CRWA	0.00	1,263.00	1,326.00	63.00	Increase includes 5% annual increase
	Total Water Memberships	50,826.00	52,631.00	52,969.00	338.00	
60550	Permits & Fees	27,170.00	40,000.00	40,000.00	0.00	
60555	Subscriptions & Licensing	1,363.00	2,120.00	2,120.00	0.00	
60560	Elections	2,008.00	2,008.00	0.00	(2,008.00)	Decreased for Non Election Year
60565	Uncollectable Accounts	0.00	2,000.00	2,000.00	0.00	
60570	Other Operating Expenditures	140.00	500.00	500.00	0.00	
TOTAL ADMINISTRATION		\$197,473.00	\$257,595.00	\$231,775.00	(\$25,820.00)	

DRAFT

**DRAFT
OPERATING BUDGET
2019-20**

DRAFT

		2018-2019 ACTUAL JULY 18-MAR 19	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
64000 CONSERVATION						
64001	Community Outreach	10.00	1,000.00	300.00	(700.00)	Decreased to adjust for lack of prior two year spending of \$233
64002	Rebate Program	675.00	700.00	0.00	(700.00)	Decreased to eliminate program
64003	Regional Conservation Program	5,048.00	5,048.00	0.00	(5,048.00)	Decreased to adjust for termination of program
64005	Other Conservation Programs	0.00	0.00	0.00	0.00	
TOTAL CONSERVATION		5,733.00	6,748.00	300.00	(6,448.00)	
65000 FIELD OPERATIONS						
65100 Other Field Operations						
65110	Backflow Testing	\$1,475.00	\$3,000.00	\$3,000.00	\$0.00	
65120	Construction Equipment Maintenance	4,251.00	5,500.00	5,500.00	0.00	
65130	Field Communication	3,173.00	4,500.00	2,600.00	(1,900.00)	Decreased to adjust for new Verizon service contract
65140	Field IT	14,788.00	20,775.00	28,000.00	7,225.00	Increased for SCADA backup service; AMI Meter Cloud Service
65150	Laboratory Services	22,844.00	23,500.00	23,500.00	0.00	
65160	Safety Equipment	255.00	5,000.00	5,000.00	0.00	
65170	Shop Supplies	3,553.00	5,000.00	5,000.00	0.00	
Total Other Field Operations		50,339.00	67,275.00	72,600.00	5,325.00	
65200	Treatment	13,797.00	15,000.00	15,000.00	0.00	
65300 Pumping						
65310	Maintenance	22,656.00	25,000.00	25,000.00	0.00	
65320	Electricity and Fuel	122,124.00	180,000.00	180,000.00	0.00	
Total Pumping		144,780.00	205,000.00	205,000.00	0.00	
65400 Transmission & Distribution						
65410	Distribution Supplies	29,431.00	37,000.00	37,000.00	0.00	
65420	Meter Maintenance	56,515.00	56,534.00	56,600.00	66.00	Increased for rounding
65430	Tank Maintenance	0.00	3,000.00	3,000.00	0.00	
65440	Contract Repairs	1,200.00	21,000.00	21,000.00	0.00	
65450	Valve Replacements	0.00	0.00	35,000.00	35,000.00	Increased to add new account; budgeted line item moved from Capital Budget to reflect as an operating expense.
65460	Paving Repairs	0.00	0.00	25,000.00	25,000.00	Increased to add new account; budgeted line item moved from Capital Budget to reflect as an operating expense.
Total Transmission & Distribution		87,146.00	117,534.00	177,600.00	60,066.00	
65500 Transportation						
65510	Fuel	8,590.00	13,000.00	13,000.00	0.00	
65520	Maintenance	3,773.00	6,000.00	6,000.00	0.00	
Total Transportation		12,363.00	19,000.00	19,000.00	0.00	
TOTAL FIELD OPERATIONS		\$308,425.00	\$423,809.00	\$489,200.00	\$65,391.00	

DRAFT

DRAFT
 OPERATING BUDGET
 2019-20

DRAFT		2018-2019 ACTUAL JULY 18-MAR 19	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES		\$1,388,442.00	\$1,925,344.00	\$1,988,477.00	\$63,133.00	
NON OPERATING EXPENSES						
69010 Debt Service						
69100	Revenue Bond 2015					
69105	Revenue Bond 2015-Principle	53,163.00	133,163.00	139,015.00	5,852.00	Per Loan Payment Schedule
69120	Interest	33,260.00	65,726.00	61,717.00	(4,009.00)	Per Loan Payment Schedule
	Total Revenue Bond 2015	86,423.00	198,889.00	200,732.00	1,843.00	
69125 AMI Meter Loan						
69130	Principle	46,818.00	46,818.00	48,281.00	1,463.00	Per Loan Payment Schedule
69135	Interest	11,696.00	11,696.00	10,233.00	(1,463.00)	Per Loan Payment Schedule
	Total AMI Meter Loan	58,514.00	58,514.00	58,514.00	0.00	
69400 Other Non Operating Expense		0.00	2,000.00	2,000.00	0.00	
TOTAL NON OPERATING EXPENSES		\$144,937.00	\$259,403.00	\$261,246.00	\$1,843.00	
TOTAL EXPENSE		\$1,533,379.00	\$2,184,747.00	\$2,249,723.00	\$64,976.00	

DRAFT

DRAFT

**DRAFT
OPERATING BUDGET
2019-20**

	2018-2019 ACTUAL JULY 18-MAR 19	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
NET INCOME (Income-Expense)	\$443,998.00	\$550,082.00	\$532,977.00	(\$17,105.00)	
OPERATING FUND BALANCE					
Operating Account Balance June 30		\$634,454.00	\$634,536.00		
Net Revenue		\$550,082.00	\$532,977.00		Subject to Negotiations
Transfer to CEBRT Funds		\$0.00	(\$20,000.00)		
Transfer to GL 10010 Operating Reserve		\$0.00	(\$50,000.00)		One time adjustment to equal 1 months operating expenditures
Transfer to Capital Improvement Funds		(\$50,000.00)	(\$462,977.00)	(\$87,023.00)	Subject to Negotiations
Estimated Operating Fund Balance June 30		\$634,536.00	\$634,536.00	(\$87,023.00)	
SURCHARGE 1 FUND BALANCE					
Surcharge 1 Fund Balance June 30		\$497,603.00	\$565,413.00		
43010 Surcharge Revenue		523,374.00	523,374.00	0.00	
41110 Investment Revenue		8,000.00	8,000.00	0.00	
69155 SRF Principle		(\$342,540.00)	(\$351,403.00)	8,863.00	Per Loan Payment Schedule
69160 SRF Interest		(\$118,814.00)	(\$109,952.00)	(\$8,862.00)	Per Loan Payment Schedule
69220 SRF Administration		(\$2,210.00)	(\$2,100.00)	(\$110.00)	Zions Investment Advisor Fees per prior FY actual
Estimated Surcharge 1 Fund Balance June 30		\$565,413.00	\$633,332.00	(\$109.00)	
SURCHARGE 2 FUND BALANCE					
Surcharge 2 Fund Balance June 30		\$399,687.00	\$71,936.00		
43050 Surcharge 2 Revenue		439,019.00	439,019.00	0.00	
41110 Investment Revenue		20.00	20.00	0.00	
Surcharge 2 Surplus Repayment		(\$435,752.00)	(\$110,201.00)	(\$325,551.00)	Per Loan Payment Schedule
69180 Principle		(\$195,000.00)	(\$210,000.00)	15,000.00	Per Loan Payment Schedule
69185 Interest		(\$136,038.00)	(\$118,818.00)	(\$17,220.00)	Per Loan Payment Schedule
Estimated Surcharge 2 Fund Balance June 30		\$71,936.00	\$71,956.00	(\$327,771.00)	
CERBT FUND BALANCE					
CERBT Fund Balance June 30		\$0.00	\$16,355.75		
Annual Deposit from Operating Revenues		0.00	20,000.00	20,000.00	Increased for new budgeted amount
41110 Investment Revenue		0.00	500.00	500.00	Estimated Only
Deposit Transfer from LAIF		16,355.75	0.00	(\$16,355.75)	Carryover from prior year only
Estimated CERBT Fund Balance June 30		\$16,355.75	\$36,855.75	\$20,500.00	
LAIF FUND (CAPACITY FEES) BALANCE					
LAIF Fund Balance June 30		\$0.00	\$159,332.00		
44100 Capacity Fee Revenue		0.00	40,000.00	40,000.00	Used prior year budget amount
41110 Investment Revenue		0.00	500.00	500.00	Estimated
Deposit Transfer Prior Year Connection Balance		159,332.00	0.00	(\$159,332.00)	Carryover from prior year only
Estimated LAIF Fund Balance June 30		\$159,332.00	\$199,832.00	\$40,500.00	

DRAFT

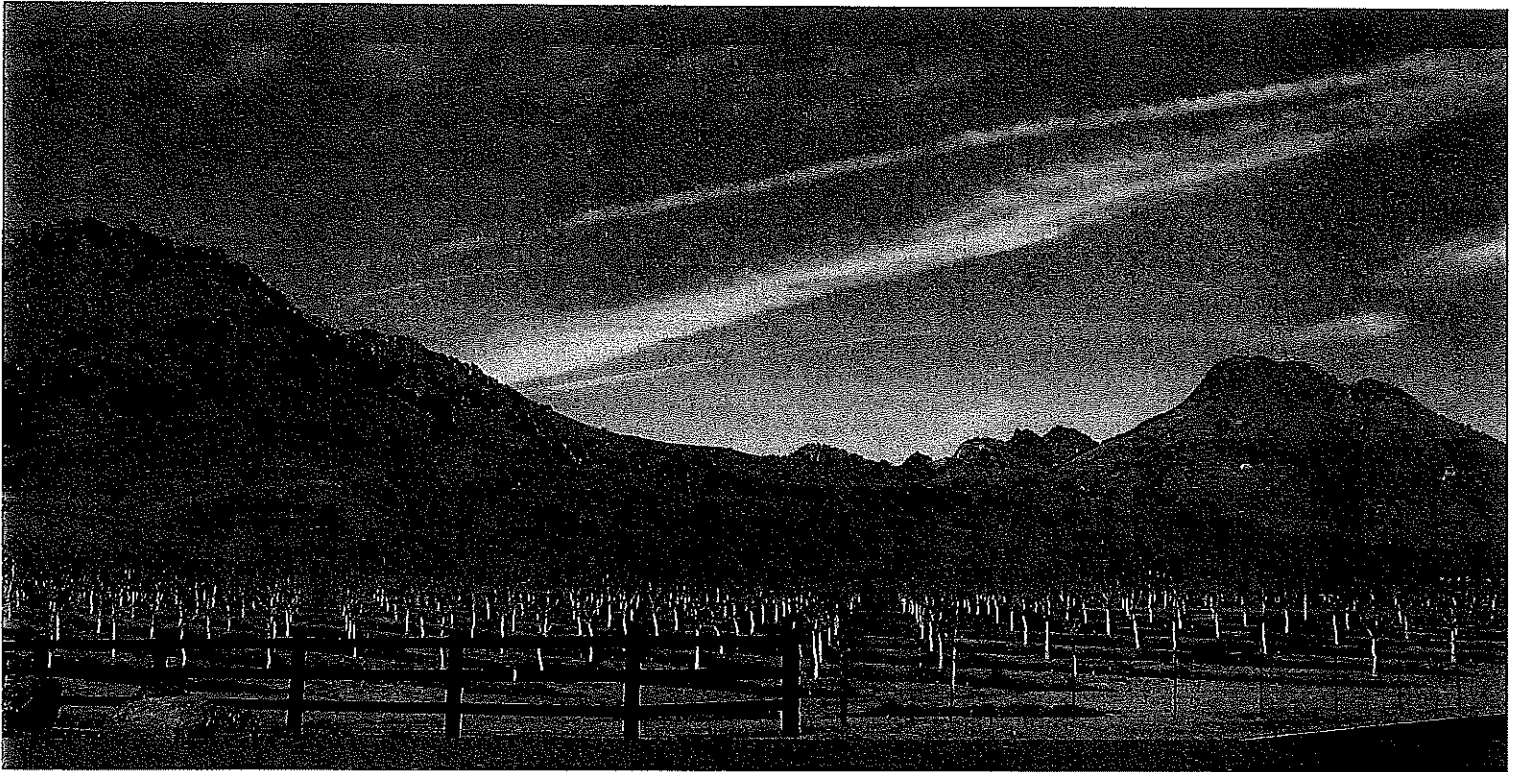
**DRAFT
CAPITAL BUDGET
2018-19**

DRAFT			CHROMIUM MITIGATION & NEW WELLS	VEHICLE REPLACEMENT	
		GENERAL			TOTAL
ESTIMATED BEGINNING BALANCE		1,889,935.00	63,915.00	10,000.00	1,963,850.00
FUNDING SOURCES					
Fund Transfers					
	Operating Fund Transfers In	462,977.00	0.00	0.00	462,977.00
	CIP Fund Intrafund Transfers	(5,000.00)	0.00	5,000.00	0.00
	Surcharge 2 Surplus Repayment	0.00	110,201.00	0.00	110,201.00
Contributed Funding					
	Contributed Facilities (Developers)	0.00	0.00	0.00	0.00
	Grant Revenue	0.00	516,500.00	0.00	516,500.00
	Loan Proceeds	0.00	2,033,500.00	0.00	2,033,500.00
	Investment Revenue	350.00	0.00	0.00	350.00
	Sale of Fixed Assets	0.00	0.00	0.00	0.00
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS		2,348,262.00	2,724,116.00	15,000.00	5,087,378.00
PROJECTS					
A · WATER SUPPLY					
	A-1 · Well XX - Cr6 Treatment/Design	0.00	50,000.00	0.00	50,000.00
	A-2 · Well 16	0.00	2,500,000.00	0.00	2,500,000.00
	A-3 · Miscellaneous Pump Replacements	40,000.00	0.00	0.00	40,000.00
Total A · WATER SUPPLY		40,000.00	2,550,000.00	0.00	2,590,000.00
B · WATER DISTRIBUTION					
	B-1 · Service Replacements	30,000.00	0.00	0.00	30,000.00
	B-2 · Large Meter Replacements	5,000.00	0.00	0.00	5,000.00
Total B · WATER DISTRIBUTION		35,000.00	0.00	0.00	35,000.00
C · CONTINGENCY					
	C-1 · Contingency (10% of Est A,B,M)	7,500.00	255,000.00	0.00	262,500.00
TOTAL BUDGETED PROJECT EXPENDITURES		82,500.00	2,805,000.00	0.00	2,887,500.00
ESTIMATED ENDING BALANCE		2,265,762.00	(80,884.00)	15,000.00	2,199,878.00

DRAFT



SCADA Backup Option 1



Prepared for:

RLEC Water District

Timothy Shaw

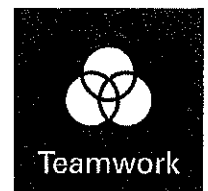
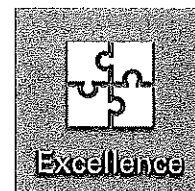
730 L St.

Rio Linda, CA 95673

Prepared by:

Geoff Granger

Quote # 000185 Version 1



Thursday, May 09, 2019

RLEC Water District
Timothy Shaw
730 L St.
Rio Linda, CA 95673
gm@rlecwd.com

Dear Timothy,

The RLEC Water District SCADA server does not currently have a monitored, managed, and tested backup solution. Upon initial review by the Adept team when assessing various network functions it was found that functionality of the SCADA server backup was unknown.

Tesco, local integrator for the SCADA server, suggests regular backups of the:

- SCADA application
- historical data (MySQL database)
- historical report templates, previously generated reports, and report generator configuration
- communication driver configuration
- operating system configuration files.

Tesco has been able to confirm that the MySQL database is at least backed up once a day to a local Synology brand Network Attached Storage (NAS) with no offsite replication of the backup. Backups to this device are un-monitored and un-tested. It is Adept Solutions understanding from communications with both Tesco and Inductive Automation that RLEC Water District is responsible for monitoring and managing backups of the SCADA server. If the SCADA server were to fail there will be loss of automated functionality, potential for loss of all historical data, and loss of SCADA PLC network configuration.

Adept Solutions is recommending a Business Continuity and Disaster Recovery (BCDR) device to provide full image based backup of the SCADA server and replicate the backups offsite. This will provide a complete backup of the entire SCADA server which the Adept Solutions team will fully monitor, manage, and test. Two options are being presented at this time, both options include a BCDR onsite device. The difference between each device is the capability as listed below.

Datto Siris Option 1:

- Full image based backups every 60 minutes
- Bare Metal System Restore
- Offsite replication to secure cloud storage (One backup point daily)
- Ability to virtualize device in the cloud should the SCADA server fail
- Ability to virtualize device onsite should the SCADA server fail

Datto Alto 3 Option 2:

- Full image based backups every 60 minutes
- Bare Metal System Restore
- Offsite replication to secure cloud storage (One backup point daily)
- Ability to virtualize device in the cloud should the local device fail

The primary advantage of the Datto Siris unit is the ability to virtualize the SCADA server onsite. If the SCADA physical server were to fail we could virtualize the most recent backup point and continue to run SCADA functions. Currently if the SCADA physical server were to fail all functions it performs would need to be handled manually until the physical device is repaired.

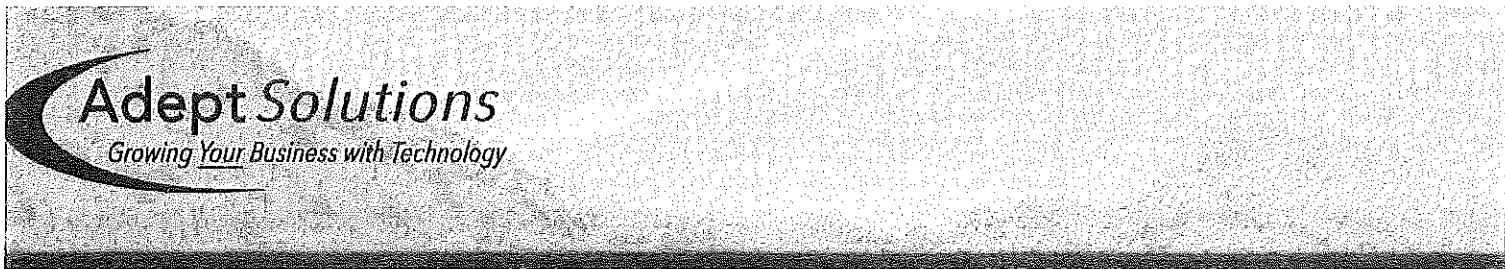
Each device includes offsite replication and virtualization. This will allow for the server to be virtualized in the secure data center.



While this provides a safety net should something such as a fire, flood, etc. damage/theft to the local hardware, it does not allow for running the SCADA functions.

Thank you,

Geoff Granger
Solutions Engineer & Project Manager
Adept Solutions



Services

Description	Price	Qty	Ext. Price
Datto Backup Deployment	\$1,535.00	1	\$1,535.00
Onboarding - Datto Appliance Procurement Initial Setup of BDR Appliance		1	
Onboarding - Datto Per Agent Configuration and setup of backup		2	
Datto Siris Disaster Planning - Initial creation, testing, and documentation of onsite disaster plan for SCADA server.		1	
Subtotal:			\$1,535.00

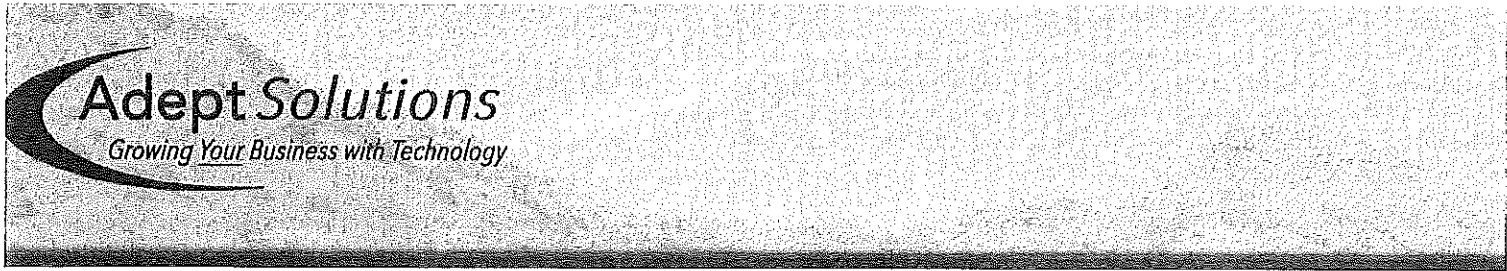
Monthly Services

Description	Recurring	Qty	Ext. Recurring
Datto Alto 3 Backup Device & License Alto 3 - Time-Based Retention - per Agent 1 TB onsite storage - 1 Year online retention Functionality included with monthly service: * System licenses for Windows, Mac OSX, and Linux agents * Take snapshots of protected systems, applications, and files * Replicate snapshots to the Datto Cloud for storage and retention * Restore systems and individual files from the Datto device and cloud * Virtualize backed up systems (OSX cannot be virtualized) - Off-Site - Hybrid device to the Datto Cloud * 24/7/365 US-based technical support * Every system is entitled to 30 days of Off-Site Virtualization per year, after which a \$100 fee per hour will apply * Included granular recovery of Exchange, SQL, and SharePoint for all licenses through Kroll OnTrack's software PowerControls	(\$149.00)	1	(\$149.00)
Managed Backup & Disaster Recovery Management of Backup & Disaster Recovery per Server.	\$75.00	1	\$75.00



Monthly Services

Description	Recurring	Qty	Ext. Recurring
Datto S-3B3000 Monthly Service Subscription * 3 TB local storage Local device should not exceed 50% storage for maximum performance & device Virtualization. * 1 year unlimited cloud retention Functionality included: Unlimited system licenses for Windows, Mac OSX, and Linux agents Take snapshots of protected systems, applications, and files Replicate snapshots to the Datto Cloud for storage and retention Restore systems and individual files from the Datto device and cloud Virtualize backed up systems (OSX cannot be virtualized) - On-Site - Off-Site - Hybrid device to the Datto Cloud 24/7/365 US-based technical support Every system is entitled to 30 days of Off-Site Virtualization per year, after which a \$100 fee per hour will apply Granular Recovery of Exchange, SQL and SharePoint through unlimited licenses for Kroll Ontrack's software	\$595.00	1	\$595.00
S-3P3000 HaaS Monthly Hardware Device (HaaS Monthly) - \$3975.00	\$110.00	1	\$110.00
Monthly Subtotal:			\$631.00



SCADA Backup Option 1

Prepared by:
Adept Solutions
Geoff Granger
(530) 751-5100
Fax 530-313-5447
geoff@adept-solutions.net

Prepared for:
RLEC Water District
730 L St.
Rio Linda, CA 95673
Timothy Shaw
(916) 991-8891
gm@rlecwd.com

Quote Information:
Quote #: 000185
Version: 1
Delivery Date: 05/08/2019
Expiration Date: 05/31/2019

Quote Summary

Description	Amount
Services	\$1,535.00
Subtotal:	\$1,535.00
Shipping:	\$28.95
Total:	\$1,563.95

Monthly Expenses Summary

Description	Amount
Monthly Services	\$631.00
Monthly Total:	\$631.00

We reserve the right to cancel orders arising from pricing or other errors.

Upon approval a down payment invoice will be email to the primary billing contact and product will be ordered upon payment.

Adept Solutions

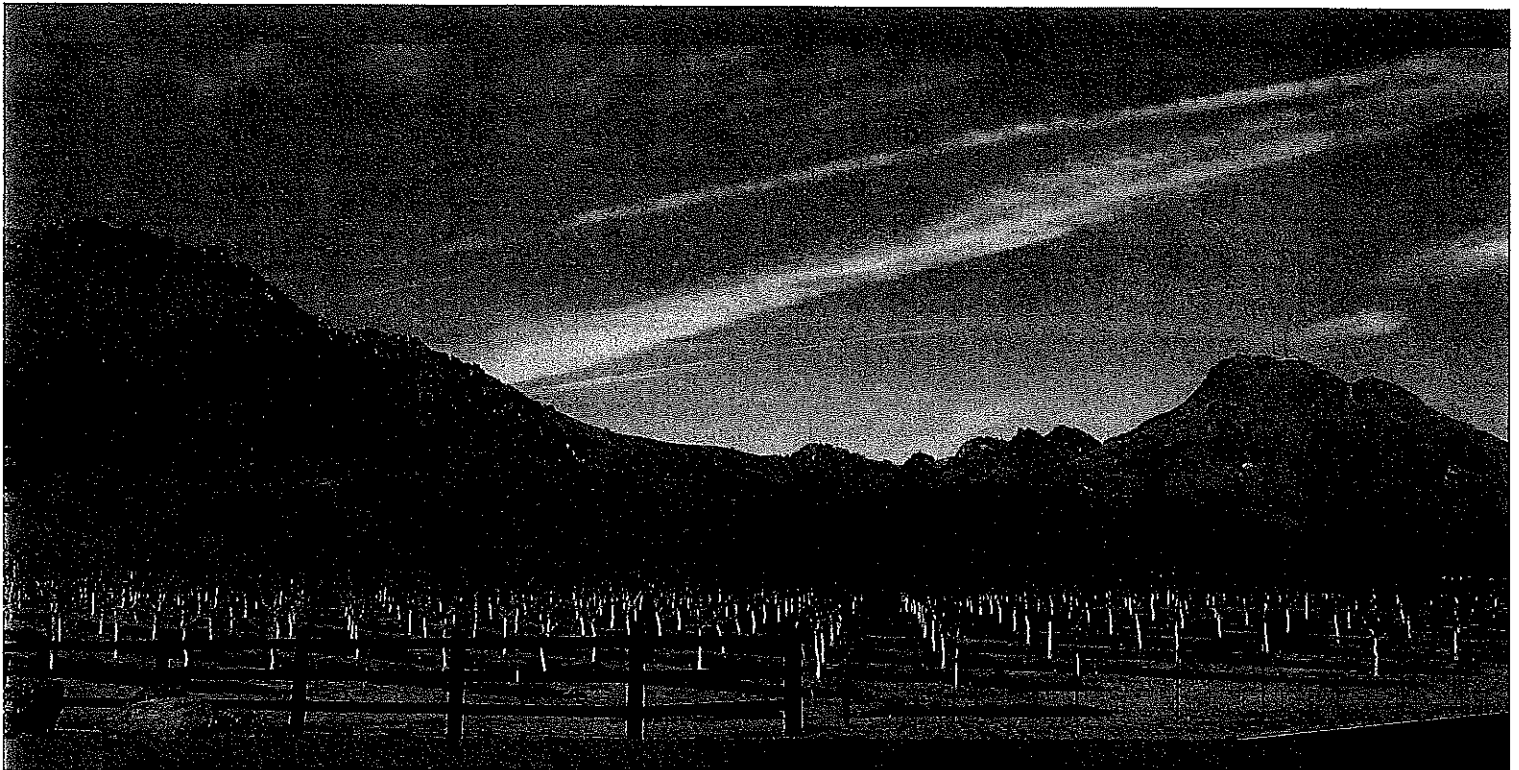
RLEC Water District

Signature: _____
Name: Geoff Granger
Title: Solutions Engineer & Project Manager
Date: 05/08/2019

Signature: _____
Name: Timothy Shaw
Date: _____



SCADA Backup Option 2



Prepared for:

RLEC Water District

Timothy Shaw

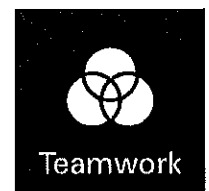
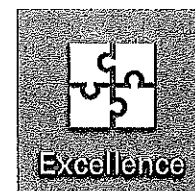
730 L St.

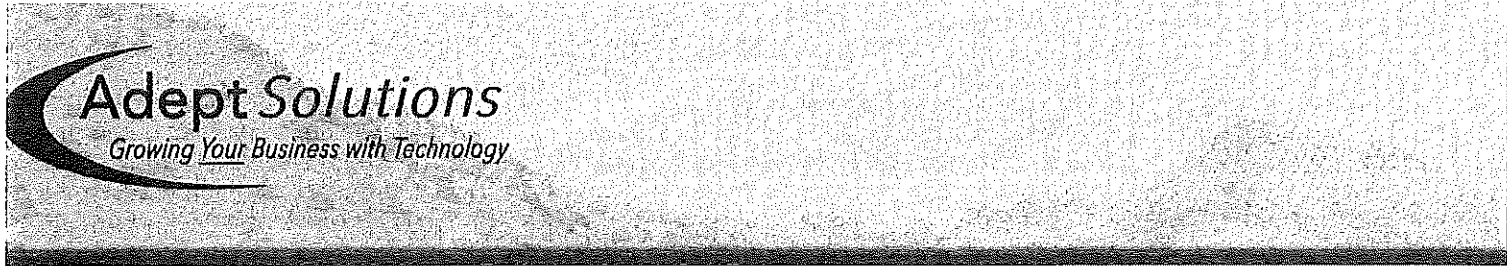
Rio Linda, CA 95673

Prepared by:

Mark Aaker

Quote # 000389 Version 1





Thursday, May 09, 2019

RLEC Water District
Timothy Shaw
730 L St.
Rio Linda, CA 95673
gm@rlecwd.com

Dear Timothy,

The RLEC Water District SCADA server does not currently have a monitored, managed, and tested backup solution. Upon initial review by the Adept team when assessing various network functions it was found that functionality of the SCADA server backup was unknown.

Tesco, local integrator for the SCADA server, suggests regular backups of the:

- SCADA application
- historical data (MySQL database)
- historical report templates, previously generated reports, and report generator configuration
- communication driver configuration
- operating system configuration files.

Tesco has been able to confirm that the MySQL database is at least backed up once a day to a local Synology brand Network Attached Storage (NAS) with no offsite replication of the backup. Backups to this device are un-monitored and un-tested. It is Adept Solutions understanding from communications with both Tesco and Inductive Automation that RLEC Water District is responsible for monitoring and managing backups of the SCADA server. If the SCADA server were to fail there will be loss of automated functionality, potential for loss of all historical data, and loss of SCADA PLC network configuration.

Adept Solutions is recommending a Business Continuity and Disaster Recovery (BCDR) device to provide full image based backup of the SCADA server and replicate the backups offsite. This will provide a complete backup of the entire SCADA server which the Adept Solutions team will fully monitor, manage, and test. Two options are being presented at this time, both options include a BCDR onsite device. The difference between each device is the capability as listed below.

Datto Siris Option 1:

- Full image based backups every 60 minutes
- Bare Metal System Restore
- Offsite replication to secure cloud storage (One backup point daily)
- Ability to virtualize device in the cloud should the SCADA server fail
- Ability to virtualize device onsite should the SCADA server fail

Datto Alto 3 Option 2:

- Full image based backups every 60 minutes
- Bare Metal System Restore
- Offsite replication to secure cloud storage (One backup point daily)
- Ability to virtualize device in the cloud should the local device fail

The primary advantage of the Datto Siris unit is the ability to virtualize the SCADA server onsite. If the SCADA physical server were to fail we could virtualize the most recent backup point and continue to run SCADA functions. Currently if the SCADA physical server were to fail all functions it performs would need to be handled manually until the physical device is repaired.

Each device includes offsite replication and virtualization. This will allow for the server to be virtualized in the secure data center.



While this provides a safety net should something such as a fire, flood, etc. damage/theft to the local hardware, it does not allow for running the SCADA functions.

Thank you,

A handwritten signature in black ink, appearing to read "Mark Aaker", is written over a horizontal line.

Mark Aaker
Account Manager
Adept Solutions

Services

Description	Price	Qty	Ext. Price
Datto Backup Deployment	\$490.00	1	\$490.00
Onboarding - Datto Appliance Procurement Initial Setup of BDR Appliance		1	
Onboarding - Datto Per Agent Configuration and setup of backup		1	
Subtotal:			\$490.00

Monthly Services

Description	Recurring	Qty	Ext. Recurring
Datto Alto 3 Backup Device & License	\$149.00	1	\$149.00
Alto 3 - Time-Based Retention - per Agent 1 TB onsite storage - 1 Year online retention Functionality included with monthly service: * System licenses for Windows, Mac OSX, and Linux agents * Take snapshots of protected systems, applications, and files * Replicate snapshots to the Datto Cloud for storage and retention * Restore systems and individual files from the Datto device and cloud * Virtualize backed up systems (OSX cannot be virtualized) - Off-Site - Hybrid device to the Datto Cloud * 24/7/365 US-based technical support * Every system is entitled to 30 days of Off-Site Virtualization per year, after which a \$100 fee per hour will apply * Included granular recovery of Exchange, SQL, and SharePoint for all licenses through Kroll OnTrack's software PowerControls			
Managed Backup & Disaster Recovery Management of Backup & Disaster Recovery per Server.	\$75.00	1	\$75.00
Monthly Subtotal:			\$224.00



SCADA Backup Option 2



Prepared by:
Adept Solutions
Mark Aaker
(530) 751-5100
Fax 530-313-5447
mark@adept-solutions.net

Prepared for:
RLEC Water District
730 L St.
Rio Linda, CA 95673
Timothy Shaw
(916) 991-8891
gm@rlecwd.com

Quote Information:
Quote #: 000389
Version: 1
Delivery Date: 05/08/2019
Expiration Date: 06/07/2019

Quote Summary

Description	Amount
Services	\$490.00
Subtotal:	\$490.00
Shipping:	\$14.75
Total:	\$504.75

Monthly Expenses Summary

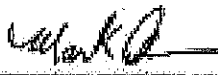
Description	Amount
Monthly Services	\$224.00
Monthly Total:	\$224.00

We reserve the right to cancel orders arising from pricing or other errors.

Upon approval a down payment invoice will be email to the primary billing contact and product will be ordered upon payment.

Adept Solutions

RLEC Water District

Signature: 

Signature: _____

Name: Mark Aaker

Name: Timothy Shaw

Title: Account Manager

Date: _____

Date: 05/08/2019



Finance /Administrative Committee

Agenda Item: 4

Date: May 13, 2019

Subject: Service Application Fee Study

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance / Administrative Committee should review the Service Application Fee data and forward the item(s) to the May 20th Board agenda to consider revising the fee amount to reflect the changes in costs for completing the service application process.¹

Current Background and Justification:

The Board adopted the current Service Application Fee in 2013, prior to the District's conversion to AMI meters. In 2013, it would have been necessary for most customer initiation of service evolutions to have a staff member dispatched to the customer's property to read the meter. Additionally, my review of staff reports and supporting documents shows an insufficient level of detail in 2013 to make an adjustment based on the obviation of the field staff participation component.

The data obtained thus far in studying the cost of providing this service indicates an average of 22-minutes per service application. So far, none of the evolutions studied included the need for field staff to manually obtain the meter reading. The meter readings have all been obtained through the Neptune AMI system. Based on the total employment cost for Customer Service Technicians spending 22-minutes per service application, and further assuming that a supervisor spends an average of 2-minutes per service application supervising the Customer Service Tech, the service application fee should be reduced from the current fee of \$50 to a Fee of \$25. The \$25 fee would also account for an occasional evolution where field personnel need to manually read the meter as well as near-term anticipated increases in total employment costs.

The current budget for revenue from the Service Activation Fee is \$15,000 per year. When the Service Activation Fee is decreased from \$50 to \$25, the budget revenue line item will be lowered to \$7,500 per year.

Conclusion:

Direct staff to prepare a Resolution to effectively revise the appropriate Exhibit to Ordinance 2013-01 and forward the Resolution onto the May 20th Board agenda with the Finance Committee's recommendation for approval.

¹ – *California Constitution, Article XIII D, Section 6 (b)(1-4)*

*** CALIFORNIA CONSTITUTION - CONS**

ARTICLE XIII D [ASSESSMENT AND PROPERTY-RELATED FEE REFORM] [SECTION 1 - SEC. 6] (Article 13D added Nov. 5, 1996, by Prop. 218. Initiative measure.)

SEC. 6. Property Related Fees and Charges. (a) Procedures for New or Increased Fees and Charges. An agency shall follow the procedures pursuant to this section in imposing or increasing any fee or charge as defined pursuant to this article, including, but not limited to, the following:

(1) The parcels upon which a fee or charge is proposed for imposition shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

(2) The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

(b) Requirements for Existing, New or Increased Fees and Charges. A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

(4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.

Rio Linda Elverta Community Water District
Customer Service Tech 1 Cost per Hour
 July 2018 through April 2019

	Customer Service Tech		Hourly Rate	
	Hours	Jul '18 - Apr 19	Hours	Jul '18 - Apr 19
Employee Wages, Taxes and Adjustments				
Gross Pay				
Total Gross Pay	1,737.00	40,726.44	1,737.00	23.4464
Employer Taxes and Contributions				
Medicare Company		602.40		0.3468
Social Security Company		2,575.76		1.4829
CA - Unemployment Company		203.00		0.1169
457(b) Employer Contribution		1,221.72		0.7034
Dental Insurance (company paid)		1,058.64		0.6095
Health Ins WH (company paid)		9,819.92		5.6534
PERS PEPRA ER Rate		2,759.43		1.5886
Vision Insurance (company paid)		185.36		0.1067
Workers Compensation		187.54		0.1080
CA - Employment Training Tax		7.00		0.0040
Total Employer Taxes and Contributions		<u>18,620.77</u>		<u>34.17</u>
Hourly Staff Time to Process Applications				0.5000
Total Employee Cost per Application				17.08



Finance /Administrative Committee Agenda Item: 5

Date: May 13, 2019

Subject: Funding for Replacing Four Desktop Computers

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance / Administrative Committee should review this item and forward the item to the May 20th Board agenda with a recommendation for Board approval.

Current Background and Justification:

There are two desktop computers in the office which are 7-years old. There are two more desktop computers which are 5-years old. One of the older computers failed to come back on line following a routine maintenance evolution. When the IT support respondent recommended a replacement part, I reviewed the age and original cost for these units.

The older computers were purchased for approximately \$500 each in 2012. The less old units were purchased in 2014 for approximately \$300 each. In short, these computers are old and were not very good when they were purchased.

I estimate, through research of good pricing and quality features, the District could replace all four of these units for approximately \$5,000 total.

The most appropriate source of funding is the revenue received from the auction of District surplus assets (two old vehicles and two old printers), which totals approximately \$5,300. By policy, the revenue from the surplus assets is allocated to the operating fund. Board action is required to allocate the surplus asset revenue for the purchase of replacement computers.

Conclusion:

I recommend the Finance Committee forward an item onto the May 20th Board agenda to consider authorizing a budget revision to allocate the surplus assets revenue from FY 2018/2019 to fund the purchase to four new desktop computers and appurtenances, with a recommendation for Board approval.



Finance /Administrative Committee

Agenda Item: 6

Date: May 13, 2019

Subject: Board Member Appointments Needed to Fill Vacancies

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance / Administrative Committee should forward an item onto the May 20th agenda to have the Board consider ratifying the Chair's assignments to fill vacancies created by the recent resignations of Directors Dills and Paul Green.

Current Background and Justification:

Director Brent Dills and Director Paul Green have each submitted their letters of resignation. Both letters stipulate an effective date of May 19th.

District Policy and relevant statutes require that assignments entailing Board Member compensation be authorized at a Board meeting by action of the Board.

Paul Green was assigned to SGA, ACWA/ ACWA-JPIA, and LAFCo. The SGA appointment requires additional action by the Sacramento County Board of Supervisors.

Brent Dills was assigned the Planning Committee and RWA. If another Director is assigned to the Planning Committee, whose schedule is not compatible with the District's reservations of the Sac Metro Fire Station meeting room, then additional adjustments / logistics will be necessary.

Conclusion:

I recommend the Finance Committee forward an item onto the May 20th Board agenda to consider ratifying the Chairs new assignments for SGA, RWA, ACWA, ACWA-JPIA and Planning Committee.



Finance /Administrative Committee Agenda Item: 7

Date: May 13, 2019

Subject: CA Attorney General Opinion Letter on Board Member Compensation

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance / Administrative Committee should review the subject Opinion Letter. Board action is neither required nor anticipated for this item.

Current Background and Justification:

Throughout my experience as RLECWD GM, I have heard and reviewed documents with common misconception regarding Board Member compensation, including retirement program participation and retiree medical.

The letter (included with your Committee packets) was recently published by the California Attorney General and distributed by the California Special Districts Association (CSDA). The letter provides many needed clarifications.

Conclusion:

I recommend the Finance Committee review the Attorney General Opinion Letter and consider the need to forward the item as information only (non-action) to the May 20th agenda.

TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL
State of California

XAVIER BECERRA
Attorney General

OPINION	:	No. 16-301
	:	
of	:	April 4, 2019
	:	
XAVIER BECERRA	:	
Attorney General	:	
	:	
MANUEL M. MEDEIROS	:	
Deputy Attorney General	:	
	:	

THE HONORABLE JOHN M. W. MOORLACH, MEMBER OF THE SENATE,
has requested an opinion on the following question:

May a California water district make employer-paid retirement plan or pension contributions on behalf of its governing board members (“directors”), where such plans or pensions are otherwise authorized by the district’s enabling statutes, without violating Water Code sections 20201 or 20202 regarding the compensation that water districts may pay to their directors?

CONCLUSION

A California water district may make employer-paid retirement plan or pension contributions on behalf of its directors, where such plans or pensions are otherwise authorized by the district’s enabling statutes, without violating Water Code sections 20201 or 20202 regarding the compensation that water districts may pay to their directors.

ANALYSIS

In this opinion, we consider whether California water districts may lawfully make contributions to their directors' retirement plans or pensions. We conclude that they may.

“There are hundreds of water special districts in California, with a great diversity of purposes, governance structures, and financing mechanisms. Some districts are responsible for one type of specific duty, while others provide a wide range of public services. Some are governed by a county board of supervisors or city council while others have their governing boards directly elected by the public.”¹

Water districts can be created either by forming under a general water district act, or by a special act of the Legislature.² General acts prescribe the duties, responsibilities, and powers of the given type of district (water supply, sanitation, flood control, etc.), and they apply to all districts of that type throughout the state. On the other hand, a special act's provisions apply only to the particular district that is the subject of the act.

Compensation for water district directors is specified by the enabling statute applicable to the district. Most enabling statutes provide for a director stipend of \$100 per day for each day's attendance at a meeting.³ But some provide for stipends of less

¹ Legislative Analyst's Office, *Water Special Districts: A Look at Governance and Public Participation* (March 2002), available at http://www.lao.ca.gov/2002/water_districts/special_water_districts.html.

² Despite the state Constitution's preference for general laws whenever possible (Cal. Const., art. IV, § 16), courts have found it permissible for the Legislature to create water districts by special act where warranted (see *Fairfield-Suisun Sewer Dist. v. Hutcheon* (1956) 139 Cal.App.2d 502, 508-509).

³ E.g., Gov. Code, § 61047 (Stats. 2005, ch. 249, § 3 [Community Services Districts]); Wat. Code, §§ 21166 (Stats. 1947, ch. 928, § 1, p. 2145 [Irrigation Districts]), 30507 (Stats. 1949, ch. 274, § 1, p. 500 [County Water Districts]), 30507.1 (Stats. 1987, ch. 880, § 1 [Contra Costa Water District]), 34740-34741 (Stats. 1951, ch. 390, § 1, p. 1196 [California Water Districts]), 40355 (Stats. 1951, ch. 391, § 1, p. 1240 [Water Storage Districts]), 60143 (Stats. 1955, ch. 1514, § 1, p. 2766 [Water Replenishment Districts]), 71255 (Stats. 1963, ch. 156, § 1, p. 823 [Municipal Water Districts]), 74208 (Stats. 1965, ch. 75, § 1, p. 961 [Water Conservation Districts]), 81339 (Stats. 2002, ch. 844, § 1 [Bay Area Water Supply and Conservation Agency]), 81632 (Stats. 2002, ch. 849, § 1 [San Francisco Bay Area Regional Water System Financing Authority]); Wat. Code App. (West's), §§ 40-6.5 (Stats. 1982, ch. 992, § 7, p. 3595 [Orange County Water District]), 142-503 (Stats. 2016, ch. 391, § 1 [Kings River East Groundwater Sustainability

than \$100 per day;⁴ some allow no compensation;⁵ some permit the board to set a “just and reasonable” compensation;⁶ and some provide for salaries or a combination of stipends and salaries.⁷

We are informed that the Internal Revenue Service deems directors of water district governing boards to be “employees,” and that director compensation is therefore subject to Social Security taxation unless the directors are members of a public retirement system.⁸ Although water districts may (and do) contract with the California Public Employees Retirement System (CalPERS),⁹ members of part-time governing boards such

Agency)), 143-503 (Stats. 2016, ch. 392, § 1 [North Fork Kings Groundwater Sustainability Agency]).

⁴ E.g., Wat. Code, §§ 12513 (Stats. 1977, ch. 393, § 2, p. 1388 [Colorado River Board of California]) (\$50 per day), 55305 (Stats. 1969, ch. 315, § 1, p. 687 [County Water Works Districts]) (\$10 per day); Wat. Code App. (West’s), §§ 116-3.11 (Stats. 1973, ch. 1089, § 3.11, p. 2210 [South Delta Water Agency]) (\$25 per day), 117-3.11 (Stats. 1973, ch. 1133, § 3.11 [Central Delta Water Agency]) (\$25 per day).

⁵ E.g., Wat. Code App. (West’s) §§ 9-14 (Stats. 1905, ch. 310, § 14, p. 332 [Levee Districts]), 48-16 (Stats. 1945, ch. 1122, § 16, p. 2147 [Riverside County Flood Control and Water Conservation District]), 55-38 (Stats. 1961, ch. 1009, § 1, p. 2690 [Alameda County Flood Control and Water Conservation District]), 65-5 (Stats. 1951, ch. 1657, § 5, p. 3777 [Yolo County Flood Control and Water Conservation District]), 74-6 (Stats. 1955, ch. 1057, § 6, p. 2010 [Santa Barbara County Flood Control and Water Conservation District]), 91-9 (Stats. 1959, ch. 2123, § 9, p. 4987 [Sierra County Flood Control and Water Conservation District]), 92-9 (Stats. 1959, ch. 2127, § 9, p. 5017 [Lassen-Modoc County Flood Control and Water Conservation District]), 109-51 (Stats. 1969, ch. 209, § 51, p. 497 [Metropolitan Water District]).

⁶ See, e.g., Wat. Code, §§ 50605 (Stats. 1951, ch. 336, § 1, p. 697, Stats. 1897, ch. 186, p. 239 (Pol. Code, § 3454) [Reclamation Districts]), 70078 (Stats. 1959, ch. 370, § 1, p. 2292 [Levee Districts]); Wat. Code App. (West’s), § 120-253 (Stats. 1981, ch. 421, § 1, p. 1619 [Stanislaus County Flood Control District]).

⁷ Wat. Code App. (West’s) § 1-11 (Levee District No. 1) (\$500 per year in quarterly installments); see Wat. Code, §§ 21166 (Irrigation Districts) (\$100 per day, \$600 per month, or up to \$15,00 per year), 22840 (500K acre Irrigation Districts) (annual salary up to that of an Imperial County supervisor).

⁸ See Internal Revenue Service, *Classification of Elected and Appointed Officials*, <https://www.irs.gov/government-entities/federal-state-local-governments/classification-of-elected-and-appointed-officials>; see also 26 U.S.C. § 3212(b)(7)(F).

⁹ See Gov. Code, § 20460 (“Public Agency Participation” in CalPERS); see also *id.*,

as water district boards are specifically excluded from membership in CalPERS if they were elected to office on or after July 1, 1994.¹⁰ However, for purposes of the Social Security tax laws, a qualifying “public retirement system” could be an agency-provided plan such as a 457(b) plan or a 401(a) plan¹¹ (hereafter referred to collectively as an alternative retirement plan or “ARP”), if that plan provides for a contribution to the employee’s account of at least 7.5 percent of the employee’s compensation—part of which contribution may be provided by the employer.¹²

Many enabling statutes also authorize water districts to establish and contribute to retirement plans or pensions for officers and employees,¹³ and we are told that some

§ 20056 (“public agency” includes districts).

¹⁰ Gov. Code, § 20322, subd. (c). Unelected employees of a district may be members of CalPERS.

¹¹ See 26 C.F.R. § 31.3121(b)(7)-2(e).

¹² See 26 C.F.R. § 31.3121(b)(7)-2(e)(iii); cf. Gov. Code, § 19999.2 (establishing state deferred compensation plan to satisfy 26 U.S.C. § 3212(b)(7)(F) for state employees who are not members of CalPERS).

¹³ See, e.g., Wat. Code, §§ 22140, 22141 (Stats. 1965, ch. 726, § 1, p. 2128 [Irrigation Districts]), 31008 (Stats. 1953, ch. 1375, § 1, p. 2954 [County Water Districts]), 71593, 71594 (Stats. 1963, ch. 156, § 1 [Municipal Water Districts]); Wat. Code App. (West’s), §§ 97-13, ¶ 6 (Stats. 1959, ch. 2146, § 13, p. 5132 [Mojave Water Agency]), 98-61, ¶ 12 (Stats. 1959, ch. 2146, § 61, p. 5153 [Antelope Valley-East Kern Water Agency]); 100-15, ¶ 16 (Stats. 1961, ch. 1069, § 15, p. 2762 [Desert Water Agency]), 101-15, ¶ (p) (Stats. 1961, ch. 1435, § 15, p. 3246 [San Gorgonio Pass Water Agency]), 104-11, ¶ 16 (Stats. 1962, 1st Ex. Sess, ch. 40, § 11 p. 291 [Crestline-Lake Arrowhead Water Agency]), 109-76 (Stats. 1969, ch. 441, § 22, p. 975 [Metropolitan Water District]), 112-15, ¶ 11 (Stats. 1969, ch. 1175, § 15, p. 2276 [Bighorn-Desert View Water Agency]); 114-124 (Stats. 1971, ch. 1560, § 124, p. 3095 [Tahoe-Truckee Sanitation Agency]), 118-264 (Stats. 1977, ch. 527, § 264, p. 1685 [Monterey Peninsula Water Management District]).

Not all water-district enabling statutes *expressly* authorize the provision of retirement contributions for “directors”; some authorize retirement contributions for “officers and employees,” without clearly identifying directors as officers. Members of governing boards of public districts or entities are commonly regarded as elected or appointed public officers (see, e.g., 90 Ops.Cal.Atty.Gen. 24, 26 (2007); 69 Ops.Cal.Atty.Gen. 126, 128 (1986); Bus & Prof. Code, § 16204). For purposes of this analysis, we assume that when an enabling statute uses the phrase “officers and employees” in connection with retirement contributions, it includes “directors.”

water districts have established ARPs and are making contributions to those plans for the benefit of their governing board members in order to satisfy the 7.5 percent requirement mentioned above.

In this opinion, we analyze the proposition that two statutes in the Water Code (sections 20201 and 20202) generally forbid water district employer contributions, by limiting director compensation to a stipend of \$100 per meeting (except as it may be periodically increased by an ordinance subject to voter referendum). We conclude that sections 20201 and 20202 do not restrict the scope of compensation available to district directors. Instead, we believe that the statutes' purpose is to empower water districts that pay directors a minimal daily stipend to increase the stipend level without need of further legislation.

Our analysis starts with an examination of the statutes at issue. In pertinent part, Water Code section 20201 provides:

Notwithstanding any other provision of law, the governing board of any water district¹⁴ may, by ordinance adopted pursuant to this chapter,

¹⁴ The term "water district," for purposes of section 20201, is defined broadly by Water Code section 20200 to mean "any district or other political subdivision, other than a city or county, a primary function of which is the irrigation, reclamation, or drainage of land or the diversion, storage, management, or distribution of water primarily for domestic, municipal, agricultural, industrial, recreation, fish and wildlife enhancement, flood control, or power production purposes. 'Water districts' include, but are not limited to, irrigation districts, county water districts, California water districts, water storage districts, reclamation districts, county waterworks districts, drainage districts, water replenishment districts, levee districts, municipal water districts, water conservation districts, community services districts, water management districts, flood control districts, flood control and floodwater conservation districts, flood control and water conservation districts, water management agencies, water agencies, and public utility districts formed pursuant to Division 7 (commencing with Section 15501) of the Public Utilities Code." (Wat. Code, § 20200.) This sweeping definition applies only to chapter 2 of division 10 of the Water Code, as evidenced by the introductory limitation, "As used in this chapter." (See *Alcala v. City of Corcoran* (2007) 147 Cal.App.4th 666, 670 (term's definition "is expressly limited to the article in which it appears"; "it does not pretend to define the term for use in all statutes"); *Howard Jarvis Taxpayers Assn. v. City of San Diego* (1999) 72 Cal.App.4th 230, 236 (phrase "as used in this article" restricts the field of application); 66 Ops.Cal.Atty.Gen. 40, 47 (1983); 64 Ops.Cal.Atty.Gen. 317, 323 (1981) Accordingly, the term "water district" may elsewhere have a more restrictive meaning. (See, e.g., Health & Saf. Code, § 116286; Sts. & Hy. Code, § 830; Wat. Code App. (West's), § 134-

provide compensation to members of the governing board, unless any compensation is prohibited by its principal act, in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board, or for each day's service rendered as a member of the board by request of the board, and may, by ordinance adopted pursuant to this chapter, in accordance with Section 20202, increase the compensation received by members of the governing board above the amount of one hundred dollars (\$100) per day.

It is the intent of the Legislature that any future increase in compensation received by members of the governing board of a water district be authorized by an ordinance adopted pursuant to this chapter and not by act of the Legislature.¹⁵

Water Code section 20202, in turn, provides:

In any ordinance adopted pursuant to this chapter to increase the amount of compensation which may be received by members of the governing board of a water district above the amount of one hundred dollars (\$100) per day, the increase may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted.

No ordinance adopted pursuant to this chapter shall authorize compensation for more than a total of 10 days in any calendar month.¹⁶

Section 20201 begins with sweeping words of supersession: "Notwithstanding any other provision of law."¹⁷ At first blush, then, section 20201 could be read to

315.)

¹⁵ Wat. Code, § 20201.

¹⁶ Wat. Code, § 20202.

¹⁷ See *People v. Palacios* (2007) 41 Cal.4th 720, 729 (the "broad and unambiguous scope of 'notwithstanding any other provision of law' overrides application" of inconsistent statute); *Apartment Ass'n of Los Angeles County, Inc. v. City of Los Angeles* (2009) 173 Cal.App.4th 13, 26 (phrase is a "term of art" that overrides other code sections unless specifically modified by use of a term applying it only to a particular code section or phrase); 73 Ops.Cal.Atty.Gen. 296, 299 (1990) (phrase amounts to "words of supersession with respect to any inconsistent provision").

sweepingly supplant the myriad enabling statutes that provide for water district director compensation. Under such a reading, for example, section 20201 would seem to divest many water districts of their otherwise authorized discretion to set a “just and reasonable” compensation, or to provide for monthly salaries, despite specific statutory authority for some districts to do so.

But we must read sections 20201 and 20202 “with reference to the entire scheme of law of which they are part, so that the whole may be harmonized and retain effectiveness.”¹⁸ We may not lightly infer sweeping implied repeals. An implied repeal of a statute is generally disfavored, and we will not construe section 20201 impliedly to repeal other statutes unless it is clear that this was the Legislature’s intent.¹⁹ And even the introductory phrase, “Notwithstanding any other provision of law,” without any other indicia of legislative intent, is not necessarily determinative of supersession.²⁰

We may look to legislative history to discern the Legislature’s intent here.²¹ In it, we find that sections 20201 and 20202 were not intended to impose a strict limit on director compensation. Rather, the statutes were intended to supplement, not supplant, the enabling statutes, and to allow water districts to increase daily stipends without additional legislative authorization.

Before these sections were enacted, those water districts whose enabling statutes tied director compensation to a limited daily stipend had no administrative mechanism for increasing the stipend. Yet the Legislature was hesitant to be making stipend-adjustment decisions for special districts, seeing this as a matter more appropriately left to local control. Accordingly, in the early 1980s, “[t]ired of successive bills, the Legislature

¹⁸ *Smith v. Superior Court* (2006) 39 Cal.4th 77, 83; *People v. Ledesma* (1997) 16 Cal.4th 90, 95, citation omitted; 96 Ops.Cal.Atty.Gen. 54, 56 (2013); 95 Ops.Cal.Atty.Gen. 89, 95 (2012).

¹⁹ See *Williams v. Superior Court* (2014) 230 Cal.App.4th 636, 658; 99 Ops.Cal.Atty.Gen. 56, 59-60 & fn. 19 (2016).

²⁰ See, e.g., *Citizens for Ceres v. Superior Court* (2013) 217 Cal.App.4th 889, 913; *Gonzalez v. Department of Corrections and Rehabilitation* (2011) 195 Cal.App.4th 89, 94-96; *People v. Wilson* (2002) 95 Cal.App.4th 198, 202; see also *Lungren v. Deukmejian* (1988) 45 Cal.3d 727, 735 (court will determine whether statute’s literal meaning comports with its purpose).

²¹ See, e.g., *Voices of the Wetlands v. State Water Resources Control Bd.* (2011) 52 Cal.4th 499, 526-527; 73 Ops.Cal.Atty.Gen. 330, 333 (1990); see also *Gonzalez v. Department of Corrections and Rehabilitation*, *supra*, 195 Cal.App.4th at pp. 94-96.

allowed water districts to increase their board members' stipends above \$100 a meeting, provided that a governing board boosted its pay by referendable ordinance."²²

In 1984 the Legislature enacted Senate Bill 1370, the first of two bills to address the problem. Legislative Counsel's Digest explained:

Under existing law, various water district acts contain limitations on the amount of compensation which may be received by each member of the governing board of a water district organized under the act.

...

This bill would authorize the governing board of any water district... which is authorized under its principal act to [receive] compensation in the amount of \$100 or more per day to increase, by ordinance, the amount of that compensation, subject to prescribed limitations, and subject to a prescribed right of the voters of the district to petition for a referendum of the ordinance.²³

As enacted, SB 1370 empowered water districts paying a stipend of \$100 or more per day to increase the stipend, subject to referendum.²⁴ In 1988, sections 20201 and

²² Sen. Local Gov. Comm., Analysis of Assem. Bill No. 490 (2007-2008 Reg. Sess.), p. 1.

²³ See Sen. Bill No. 1370 (1983-1984 Reg. Sess.) as amended Feb. 28, 1984, Legislative Counsel's Digest. We may properly rely on Legislative Counsel's Digest as authoritative evidence of legislative intent. (*Mt. Hawley Ins. Co. v. Lopez* (2013) 215 Cal.App.4th 1385, 1401; *Kaufman & Broad Communities, Inc. v. Performance Plastering, Inc.* (2005) 133 Cal.App.4th 26, 35; see also *Pollack v. Department of Motor Vehicles* (1985) 38 Cal.3d 367, 376-377 [legislative amendments presumed to have "intent and meaning expressed in the Legislative Counsel's Digest"]; 80 Ops.Cal.Atty.Gen. 297, 303 (1997); 77 Ops.Cal.Atty.Gen. 227, 230 (1994).)

²⁴ Sections 20201 and 20202, as enacted by SB 1370, provided:

20201. Notwithstanding any other provision of law, the governing board of any water district which is authorized under its principal act to provide compensation to members of the governing board in the amount of one hundred dollars (\$100) or more per day for each day's attendance at meetings of the board, or for each day's service rendered as a member of the board by request of the board, may, by ordinance adopted pursuant to this chapter, increase the compensation received by members of the governing board above

20202 were amended by Assembly Bill 3088 to read as they do today.²⁵ Again, the intent of the measure was to expand the law's coverage, this time to include all water districts authorized to pay directors *any* amount of compensation.²⁶

The historical materials show that sections 20201 and 20202 are designed to relieve the Legislature from endlessly revisiting the issue of daily stipends, and to empower water districts to increase stipends in an incremental and accountable manner. We find nothing to suggest an intent to generally preempt water district enabling statutes in the area of director compensation.²⁷ More particularly, nothing in the legislative

the amount of one hundred dollars (\$100) or more per day.

It is the intent of the Legislature that any future increase in compensation received by members of the governing board of a water district above that amount be authorized by an ordinance adopted pursuant to this chapter and not by an act of the Legislature.

20202. In any ordinance adopted pursuant to this chapter to increase the amount of compensation which may be received by members of the governing board of a water district, the increase may not exceed an amount equal to 5 percent, for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted.

No ordinance adopted pursuant to this chapter shall authorize compensation for more than a total of six days in any calendar month.

Stats. 1984, ch. 186, § 1.

²⁵ See Stats. 1988, ch. 397, § 1.

²⁶ The Assembly Committee on Local Government reported:

Current law allows water districts which are authorized to compensate their board members at the rate of \$100 or more per day to increase the compensation by referendable ordinance at a noticed public protest hearing without further authorization by the Legislature. Such increases are limited to five percent per calendar year.

This bill would extend this authorization to those water districts whose board members are compensated at less than \$100 per day.

Assem. Com on Local Gov., Analysis of Assem. Bill No. 3088 (1987-1988 Reg. Sess.) as amended March 10, 1988, p. 1; see also Sen. Rules Com., Analysis of Assem. Bill No. 3088 (1987-1988 Reg. Sess.) as amended May 27, 1988, p. 1.

²⁷ We note, for example, that several years after enactment and amendment of Water

history suggests that the Legislature intended by sections 20201 and 20202 to nullify authorizations in water district enabling statutes that permit retirement contributions for the benefit of directors.

We conclude that sections 20201 and 20202 do not preclude a California water district from contributing to retirement plans or pensions on behalf of its directors, where such plans or pensions are otherwise authorized by the district's enabling statutes.²⁸

Code section 20201, sections 50605 and 70078 were each amended without change to the existing language permitting payment of a "just and reasonable" compensation. (See Stats. 2005, ch. 700, §§ 34, 38.) This is some evidence of the Legislature's belief that this grant of discretion to pay a "just and reasonable" compensation remained "good law" notwithstanding enactment of section 20201. (Cf. *Department of Corrections and Rehabilitation v. Workers' Comp. Appeals Bd.* (2008) 166 Cal.App.4th 911, 914-915.)

²⁸ The requester also asked us, if employer contributions to directors' retirement plans were unlawful, whether directors would be obligated to reimburse improper contributions and what statute of limitations would apply to reimbursement. Our answer to the present question makes it unnecessary for us to address those additional questions.