

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

AUGUST 19, 2019 (6:30 p.m.)

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

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

AGENDA

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

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

1. **CALL TO ORDER, ROLL CALL and PLEDGE OF ALLEGIANCE**
2. **PUBLIC COMMENT**
 - 2.1. *Members of the public are invited to speak to the Board regarding items within the subject matter jurisdiction of the District that are not on the agenda or items on the consent agenda. Each speaker may address the Board once under Public Comment for a limit of 2 minutes. (Policy Manual § 2.01.160).*
3. **PUBLIC HEARING to consider adopting FY 2019/2020 Budgets**
 - 3.1. Open Public Hearing
 - 3.2. FY 2019-20 Operating and Capital Budget
 - 3.3. Public Comment
 - 3.4. Close Public Hearing
 - 3.5. **Consider Adoption of Resolution No. 2019-08 FY 2019-20 Operating and Capital Budget.**
4. **CONSENT CALENDAR (Action items: Approve Consent Calendar Items)**
 - 4.1. **Minutes**

July 15, 2019
The Board is being asked to approve the Minutes from the July 15, 2019 Regular Board Meeting.
 - 4.2. **Expenditures**

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

4.3. **Financial Reports**

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

5. **REGULAR CALENDAR**

ITEMS FOR DISCUSSION AND ACTION

5.1 GM Report

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

5.2 District Engineer's Report

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

5.3 Consider authorizing the amount to draw from the Opus Bank loan for construction of Hexavalent Chromium mitigation project(s).

5.4 Reconsider the previous Board authorization for the appointed Board Member(s) to attend all ACWA and ACWA-JPIA meetings.

5.5 Consider directing next steps for adopting RLECWD Strategic Plan

5.6 Consider authorizing all Board Members attendance/participation for Rio Linda Elverta Country Faire, September 21, 2019

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

6. **INFORMATION ITEMS**

6.1. DISTRICT ACTIVITY REPORT

6.1.1. Water Operations Report

6.1.2. Conservation Report

6.2. BOARD REPORTS

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

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

6.2.3. Sacramento Groundwater Authority – Harris

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

6.2.5. Executive Committee– Harris, Green

6.2.6. ACWA/JPIA – Ridilla

6.2.7. AD Hoc Committees

6.2.8. Other Reports

7. **PUBLIC COMMENT PRIOR TO CLOSED SESSION**

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

8.1. *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.*

9. **RECONVENE IN OPEN SESSION**

9.1. *Announce any reportable actions authorized in Closed Session.*

10. **DIRECTORS' AND GENERAL MANAGER COMMENTS**

11. **ADJOURNMENT**

Upcoming meetings:

Executive Committee

September 3, 2019, Monday, 6:00 pm at the Sacramento Metro Fire Station 111 located at 6609 Rio Linda Blvd, Rio Linda, CA 95673.

Regular Board Meeting

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



**Public Hearing
Agenda Item Section: 3**

Date: August 19, 2019
Subject: Board Adoption of FY 2019/2020 Budgets
Staff Contact: Timothy R. Shaw, General Manager

Recommendations:

The Executive Committee recommends the Board approve the fiscal year 2019/2020 operating and capital budgets.

District Policy stipulates the final budget approval process be conducted as a public hearing. This is a Public Hearing for the FY 2019-20 Operating and Capital Budget -The Board President will address the public regarding the proposed budget.

Comments:

Immediately following the public hearing, the Board will consider adopting Resolution 2019-08, approving the fiscal year 2019/2020 operating and capital budgets.

The Board approved the preliminary budget in June.

The August 5th Executive committee reviewed the Final Budget and directed some minor changes to the Org Chart aesthetics included in the document.

Conclusion:

I recommend the Board adopt Resolution 2019-08, approving the fiscal year 2019/2020 operating and capital budgets.

RESOLUTION No. 2019-08

A RESOLUTION ESTABLISHING FISCAL YEAR 2019-20 OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE RIO LINDA /ELVERTA COMMUNITY WATER DISTRICT

WHEREAS, the Rio Linda / Elverta Community Water District (“District”) has identified the District’s operating costs as well as the costs of capital improvements to the infrastructure of the District, for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020; and

WHEREAS, the District has prepared a budget setting forth the dollar amounts proposed for operating the District: \$2,316,891.00 and for capital improvements: \$2,887,500.00; and

WHEREAS, the Board of Directors reviewed and adopted the Proposed Budget for the District operations and capital improvements at a regular meeting held on June 17, 2019; and

WHEREAS, a noticed public hearing was held August 19, 2019 for the purpose of receiving public comment on the proposed Fiscal Year 2019-20 Operating and Capital Improvement Budget.

NOW THEREFORE, BE IT RESOLVED by the Rio Linda / Elverta Community Water District Board of Directors that the attached 2019-20 Fiscal Year Operating and Capital Improvement Budget is hereby approved and appropriated for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 19th day of August 2019. By the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

John Ridilla

President, Board of Directors

Timothy R. Shaw

Secretary of the Board of Directors



Operating and Capital Budget

Fiscal Year July 1, 2019 – June 30, 2020

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

8/19/2019

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EXECUTIVE SUMMARY

August 19, 2019

Board of Directors

Rio Linda Elverta Community Water District

I hereby submit the Rio Linda/Elverta Community Water District's Fiscal Year 2019-2020 Operating and Capital Budget. The budget document provides detailed information about the District's revenue and expenditure forecast for the next fiscal year and addresses the main points and major decisions made in compiling the budget.

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

Monitoring the budget and responding to unanticipated events is a continuous process. The District maintains a proactive response in performing mid-year budget review(s) if adjustments are required. The District amended its budget adoption policy in 2019 to:

Associate the public hearing / public notice requirement with the final budget adoption (in August) instead of the preliminary budget adoption (in May).

Allow for minor budget revisions by the General Manager where the overall spending is not increased. Examples include moving funding from a relatively over-funded line item to an under-funded line item.

The pending hexavalent chromium (Cr+6) Maximum Contaminant Level (MCL) continues to influence our operating and capital budgets. Fortunately, the District's current rate structure provides for infrastructure improvements to comply with anticipated Cr+6 MCL. However, the rates analysis for the current rates presumed the District would receive a minimum level of Cr+6 mitigation funding through grants and low interest loans, which assumed that the District would qualify as a Disadvantaged Community (DAC). The District is not eligible for DAC funding. Consequently, the District narrowed its Cr+6 mitigation efforts to two projects, Well #16 groundwater pumping station and a wellhead treatment project using ion exchange treatment of existing groundwater facilities. The District secured a loan from Opus Bank using Surcharge #2 as debt service. The design of the Well #16 groundwater pumping facility is approximately 90% complete. Construction of the Well #16 facility, which produces drinking water with hexavalent chromium substantially below the anticipated re-adopted MCL, is scheduled for completion in September 2020. At the August 19, 2019 Board meeting, the Board will consider how much of the Opus bank loan to draw. Factors to be considered include the currently published state schedule for re-adopting the hexavalent chromium MCL and anticipate concurrence from the Department of Water Resource on reallocating a \$500,000 grant awarded to the wellhead, ion-exchange treatment project to the Well #16 project. To supplement the current rate structure for Cr+6 mitigation infrastructure, staff continues to stay abreast of additional funding opportunities as may materialize by legislative or other action.

The District will continue to fund the Capital Improvement Fund with the operating budget and Opus Bank loan proceeds. Previous District objectives, which were influenced by the state compliance order

and other regulatory enforcement actions included a \$600,000 targeted annual funding level for capital improvements. The targeted amount was not necessarily based on the need for specific capital improvements. To address this, the District has been conducting a thorough and deliberate capital improvement projects list update, which is now nearly complete. Once the capital improvement projects list and schedule for the list are adopted by the Board, the District will use this to drive the annual capital budget adoption process. The current balance of the capital improvement fund is approximately \$1.7 million. Note that the Opus Bank loan is not included in the accumulated balance for the capital improvement fund.

Budget items tangible to the deviation from blindly targeting an annual funding amount (previously \$600,000) include increase spending on employee compensation subsequent to the collective bargaining agreement renewal. In general terms, the District increased pay by an average of 5% and increased the maximum budgeted Districts contribution for medical, dental and vision insurance to \$1,705 per employee per month. Tempering this increase is the continued practice from the previous year of budgeting for the maximum contractual (MOU) amount knowing that all employees are not likely to require the maximum. This effectively yields a year-end under budget condition for medical, dental and vision insurance. Also tempering the increased employee compensation is the decreased spending on operational needs. On average, the District is saving \$0.38 per gallon on fuel for District vehicles compared to past practices of paying credit per gallon rates and federal excise tax. The District is saving \$150 per month on the new voice over internet protocol (VOIP) office phone system compared to Comcast service. The District is saving over \$200 per month on cell phone service charges by switching to a program only available to government agencies. The District is saving approximately \$21,000 per year.

The District amended its finance policies to reflect statutory requirements and staffing realities. The previous finance policies were adopted subsequent to substantive findings in annual independent audits in 2011 and 2012. The previously adopted finance policies assumed the District staff and/or consultants included the services of a properly credentialed finance officer. The new policies simplify the Districts investment options, which are now the right tool for the job. The previous funding for retiree medical was transition to the California Employers Retiree Benefit Trust (CERBT), which is generating about 7% interest. The balance of capacity fees was then transferred to our Local Agency Investment Fund (LAIF), Capacity fees are restricted and are no longer comingled with District capital improvement funds. This will enable required reporting of capacity fee account status. Only the Board, at properly noticed meetings, can make changes to the District's investments.

Looking ahead, several laws already signed by the Governor have current and future increased cost to the District. Some new laws have direct financial burdens and others have burdens via increased demands for staff time by requiring additional reporting and more complex compliance elements. Among these new laws are SB-555, SB-998 and SB-606. The District is hopeful it can partially mitigate the costs and personnel burdens from SB-998 and SB-555 by collaborating with neighboring water agencies to share the costs (but unfortunately not eliminate) for compliance. Some of the collaboration is being discussed at the organizations the District already participates, e.g. Regional Water Authority. Other discussions on collaboration are through a relatively recent but substantially informal group of Sacramento Regional Water Utilities. Additionally, the District is exploring the feasibility and timing for out-sourcing the printing, folding, stuffing and mailing of the bimonthly bills to free up some person-hours to use on the onerous new requirements for termination of service under SB-998. SB-606

compliance will undoubtedly require the District to perform a rate adjustment process. The current structure of the District rates is fundamentally incompatible with the requirements of SB-606.

The District is required to contribute approximately \$24,210 in administrative membership dues this fiscal year to the Sacramento Ground Water Authority (SGA) to remain in good standing. The SGA is a Joint Powers Authority (JPA) created to manage and maintain the long-term sustainable yield of the North Basin and facilitate the implementation of an appropriate conjunctive use program by water purveyors. It has been granted extensive powers and functions to accomplish its sustainable groundwater management mission. Along with SGA, other water association memberships for the District include Regional Water Authority (RWA), Association of California Water Agencies (ACWA), California Special Districts Association (CSDA), and California Rural Water Association (CRWA). The District discontinued membership in the American Water Works Association (AWWA). We can expect an increase in annual dues from these associations due to inflation. We can also expect and already experienced beyond inflation increase in property and workers comp insurance due to the impact of wildfires on the insurance industry as a whole. The increases in funding for SGA and RWA also go beyond inflation. RWA and SGA operating cost increases also reflect generous funding (relative to the District's approach) of employee compensation and benefits.

Continuing the streamlining improvements made in last year's budget, the District has made minor revisions to the chart of accounts to match those used by the Auditor. These changes include transitioning some operations and maintenance cost out of the capital improvement budget.

In summary, the budget reflects the Board of Directors' priorities and goals which are conveyed to staff. The budgeting process continues to improve, and the staff has embraced cost avoidance strategies to improve the District's fiscal status wherever feasible. We're taking advantage of joint powers purchasing agreements only available to government agencies, purchasing fuel without the charge for excise taxes, and purchasing equipment to reduce long-term costs. We've implemented contract improvements to exercise greater control and focus on our engineering needs, embraced a completed staff work approach to ensuring elements are not overlooked and future obligation have a greater amount of lead time for planning and funding.

I formally recognize and thank the staff and Board Members for their continued dedication and commitment. There can be no doubt that the cooperation and collective efforts have productively lead to improvements in the efficiency and cost curtailments reflected not only in this budget, but also in the fundamental services this community owned public water system provides.

Sincerely,

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

UNDERSTANDING THE BUDGET DOCUMENT

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

The budget is divided into several sections as follows:

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

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

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

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

Budgetary Control and Process

Budgetary Control

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

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

Budget Process

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

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

PRESENTATION AND REVIEW

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

PUBLIC HEARING

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

ADOPTION

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

REVISIONS

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

MINOR ALLOCATIONS AND REVISIONS BETWEEN LINE ITEMS

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

DISTRICT PROFILE

District History and Service Description

The Rio Linda/Elverta Community Water District (RLECWD) was formed in 1948 after a public vote under County Water District Law (Water Code section 30000 et seq.). The District is governed by a Board of Directors that consists of five (5) members elected at large. The District includes the communities of Rio Linda and Elverta and encompasses approximately 17.8 square miles. The District has 10 full-time employees, a contracted engineer and an attorney.

The District water system consists of 11 wells and 61.72 miles of distribution mains. The overall system capacity is currently 14.4 MGD. The District pumps approximately 2110 acre-feet of water annually to its 4,618 customers with a daily average of approximately 1.9 million gallons.

To improve the water system and ensure the delivery of high quality drinking water to customers, the District constructed Well # 15 in 2012 and a 1.2 million gallon reservoir tank in 2014.

District Mission Statement

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

District Officials

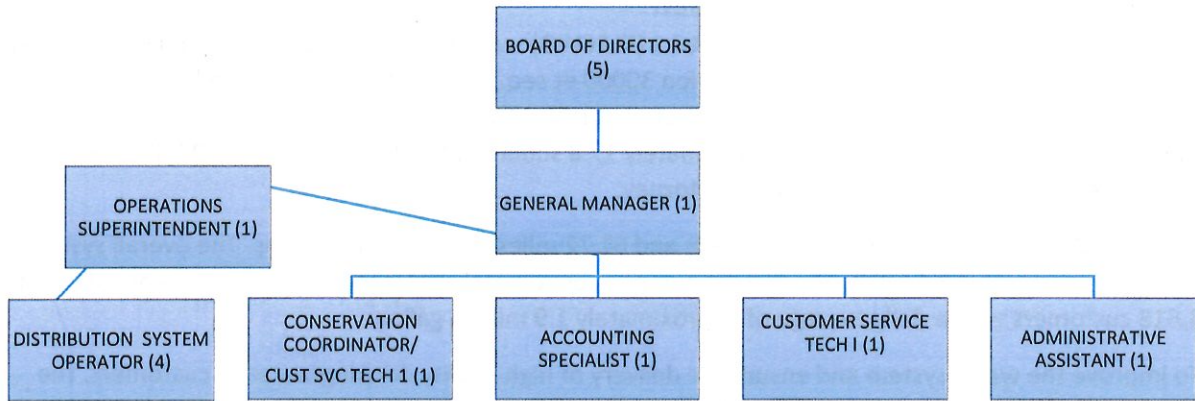
Board of Directors

John Ridilla, President/Director
Mary Harris, Vice President/Director
Chris Gifford, Director
Jason A. Green, Director
Robert Reisig, Director

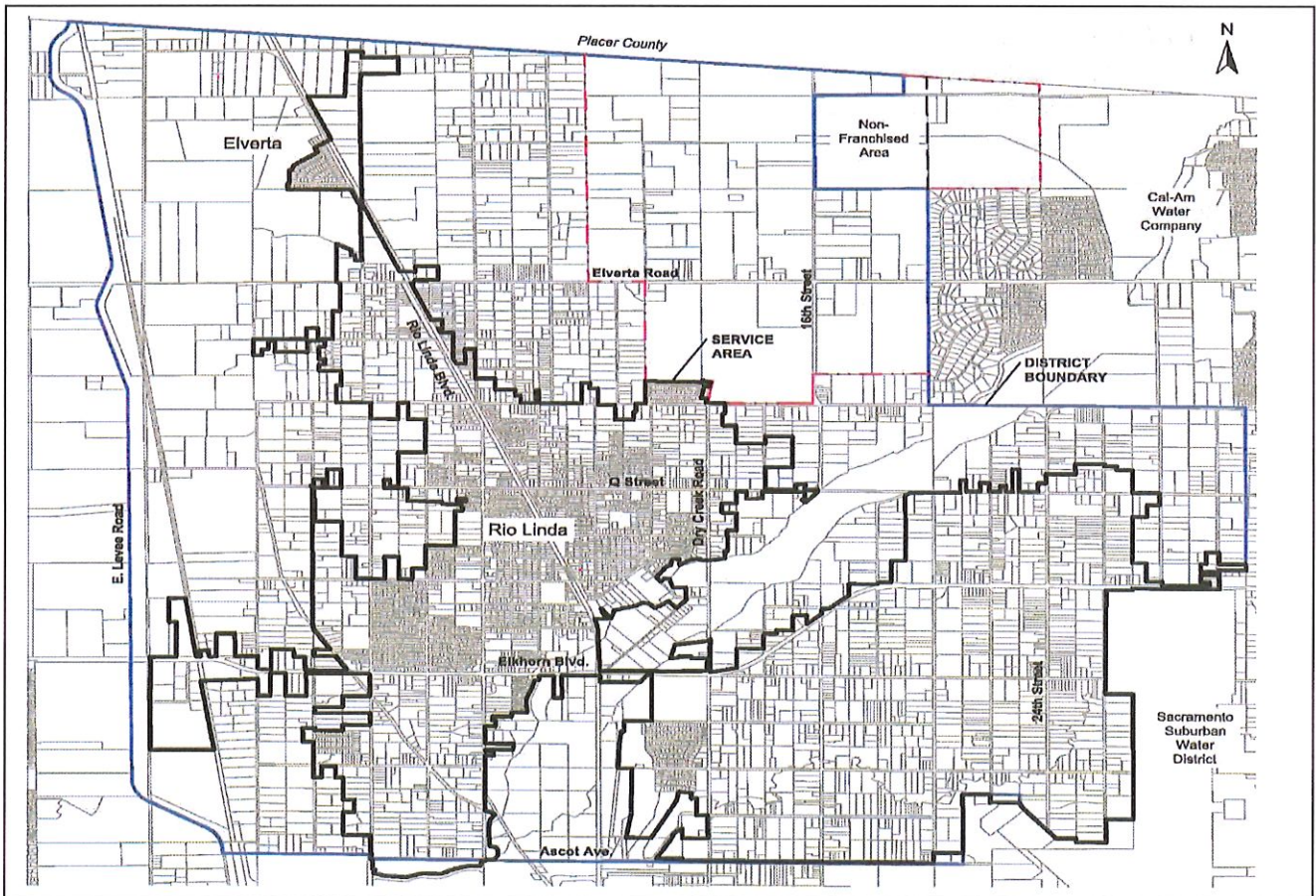
Appointed Official

Timothy Shaw, General Manager

Organizational Structure



Service Area



OPERATING BUDGET

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

The budget is divided into the following categories:

REVENUE – Includes both operating and non-operating revenue.

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

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

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

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

The budget is divided into the following columns:

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

COLUMN 2 - 2018-2019 BUDGET – The prior fiscal year budget.

COLUMN 3 - 2019-2020 BUDGET – The new fiscal year budget.

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

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

Operating and Non-Operating Revenue

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
OPERATING REVENUE						
40100 Water Service Rates						
40101	Basic Service Charge	\$1,705,369.00	\$1,863,992.00	\$1,901,272.00	\$37,280.00	Ordinance 2016-02 Increase; Water Rate Study Table 2.1
40102	Usage Charge	626,938.00	637,187.00	656,303.00	19,116.00	Ordinance 2016-02 Increase; Water Rate Study Table 2.1
40105	Backflow Charge	25,872.00	25,000.00	25,000.00	0.00	
40106	Fire Prevention	13,795.00	10,600.00	13,500.00	2,900.00	Increased to adjust for projected revenues
Total Water Service Rates		2,371,974.00	2,536,779.00	2,596,075.00	59,296.00	
40200 Water Services						
40201	Application Fee	12,075.00	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	28,275.00	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 Fees	54,225.00	54,000.00	0.00	-54,000.00	Account no longer used; see 40202
40204	Termination/Reconnection	5,080.00	7,000.00	0.00	-7,000.00	Account no longer used; see 40209
40209	Misc. Charges	839.00	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		100,494.00	104,000.00	98,500.00	-5,500.00	
40300 Other Water Service Fees						
40301	New Construction QC	4,609.00	4,000.00	4,000.00	0.00	
40302	Service Connection Fees	9,300.00	10,000.00	10,000.00	0.00	
40303	Other Field Service Fees	1,710.00	3,000.00	0.00	-3,000.00	Account no longer used; see 40209
40304	Other Operating Revenue	14,123.00	6,000.00	6,000.00	0.00	
40305	Grant Revenue-Operating	200.00	650.00	0.00	-650.00	Decrease to eliminate Rebate Program
Total Other Water Service Fees		29,942.00	23,650.00	20,000.00	-3,650.00	
TOTAL OPERATING REVENUE		\$2,502,410.00	\$2,664,429.00	\$2,714,575.00	\$50,146.00	

	2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
NON-OPERATING REVENUE					
41110 Interest Revenue	412.00	400.00	400.00	0.00	
41120 Property Taxes & Assessments	87,964.00	70,000.00	81,856.00	11,856.00	
TOTAL NON-OPERATING REVENUE	\$88,376.00	\$70,400.00	\$82,256.00	\$11,856.00	
TOTAL OPERATING & NON-OPERATING REVENUE	\$2,590,786.00	\$2,734,829.00	\$2,796,831.00	\$62,002.00	

Operating Expense

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
60010 PROFESSIONAL FEES						
60011	General Counsel fees-Legal	54,375.00	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	71,240.00	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		\$149,779.00	\$165,979.00	\$170,731.00	\$4,752.00	
60100 PERSONNEL SERVICES						
60110 Salaries & Wages						
60111	Salary - General Manager	105,401.00	109,664.00	113,344.00	3,680.00	Increased to adjust for projected cost
60112	Staff Regular Wages	494,341.00	525,000.00	569,444.00	44,444.00	Increased to adjust for projected cost
60113	Contract Extra Help	0.00	0.00	0.00	0.00	
60114	Staff Standby Pay	17,500.00	18,250.00	18,250.00	0.00	
60115	Staff Overtime Pay	8,727.00	10,200.00	10,200.00	0.00	
Total Salaries & Wages		625,969.00	663,114.00	711,238.00	48,124.00	
60150 Employee Benefits & Expense						
60151	PERS Retirement	137,446.00	138,987.00	124,190.00	-14,797.00	Decreased to adjust for projected costs
60152	Workers Compensation	14,863.00	14,937.00	16,054.00	1,117.00	Actual Annual Contribution Change
60153	Group Insurance	160,595.00	160,000.00	217,740.00	57,740.00	Increased using employee allowance and GM per MOU/Contract amounts
60154	Retirees Insurance	22,178.00	22,110.00	22,110.00	0.00	
60155	Staff Training	2,080.00	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	3,844.00	4,350.00	4,650.00	300.00	
60158	Payroll Taxes	52,248.00	53,400.00	56,494.00	3,094.00	Increased to adjust for projected costs
60159	Payroll Services	877.00	550.00	1,200.00	650.00	Increased to adjust for projected costs related to FSA Plan

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
60160	457 Employer Contribution	8,327.00	8,765.00	9,425.00	660.00	Increased to adjust for projected costs
	Total Employee Benefits & Expense	402,458.00	408,099.00	456,863.00	48,764.00	
TOTAL PERSONNEL SERVICES		\$1,028,427.00	\$1,071,213.00	\$1,168,101.00	\$96,888.00	
60200 ADMINISTRATION						
60205	Bank and Merchant Fees	27,082.00	26,000.00	4,500.00	-21,500.00	Decrease to adjust for Merchant Fees result of Convenience Fee policy
60207	Board of Director-Meeting Fees	13,725.00	16,770.00	10,770.00	-6,000.00	Decreased due to less ad hoc and special meeting compared to previous FY
60210 Building Expenses						
60211	Office Utilities	5,840.00	6,000.00	6,000.00	0.00	
60212	Janitorial	2,340.00	2,340.00	2,340.00	0.00	
60213	Maintenance	4,264.00	7,500.00	7,500.00	0.00	
60214	Security	336.00	400.00	400.00	0.00	
	Total Building Expenses	12,780.00	16,240.00	16,240.00	0.00	
60220 Computer & Equipment Maint.						
60221	Computer Systems	29,905.00	23,000.00	25,000.00	2,000.00	Increased based on prior year actual expense
60222	Office Equipment	3,465.00	2,200.00	3,650.00	1,450.00	Increased to adjust for Neopost Maintenance Contract
	Total Computer & Equipment Maint.	33,370.00	25,200.00	28,650.00	3,450.00	
60230	Office Expense	5,842.00	7,000.00	7,000.00	0.00	
60240	Postage and Delivery	17,465.00	17,500.00	20,000.00	2,500.00	Increased to project for Prop 218 mailing
60250	Printing	6,093.00	4,500.00	3,400.00	-1,100.00	Decreased to omit cost of billing return envelope
60255	Meetings & Conferences	5,062.00	10,000.00	4,000.00	-6,000.00	Decreased to omit cost of ACWA conference
60260	Publishing	682.00	1,300.00	800.00	-500.00	Decreased using prior year actual
60270	Telephone & Internet	4,766.00	5,500.00	5,500.00	0.00	
60430 Insurance						
60431	General Liability	21,665.00	22,997.00	21,221.00	-1,776.00	Decreased to reflect actual premium
60432	Property	3,997.00	5,329.00	5,611.00	282.00	Increased to reflect actual premium
	Total Insurance	25,662.00	28,326.00	26,832.00	-1,494.00	

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
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	9,355.00	-312.00	Decreased to adjust for actual
60503	SGA	24,866.00	24,866.00	24,210.00	-656.00	Decreased to adjust for actual
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	1,302.00	1,263.00	1,326.00	63.00	Increase includes 5% annual increase
	Total Water Memberships	52,128.00	52,631.00	52,001.00	- 630.00	
60550	Permits & Fees	27,185.00	40,000.00	40,000.00	0.00	
60555	Subscriptions & Licensing	1,857.00	2,120.00	2,120.00	0.00	
60560	Elections	2008.00	2008.00	0.00	-2,008.00	Decreased for Non-Election Year
60565	Uncollectable Accounts	235.00	2,000.00	2,000.00	0.00	
60570	Other Operating Expenditures	174.00	500.00	500.00	0.00	
TOTAL ADMINISTRATION		\$236,116.00	\$257,595.00	\$224,313.00	\$-33,282.00	

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
64000 CONSERVATION						
64001	Community Outreach	121.00	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		\$5,844.00	\$6,748.00	\$ 300.00	\$-6,448.00	
65000 FIELD OPERATIONS						
65100 Other Field Operations						
65110	Backflow Testing	1,536.00	3,000.00	3,000.00	0.00	
65120	Construction Equipment Maint.	4,372.00	5,500.00	5,500.00	0.00	
65130	Field Communication	3,839.00	4,500.00	2,600.00	-1,900.00	Decreased to adjust for new Verizon service contract
65140	Field IT	17,503.00	20,775.00	28,000.00	7,225.00	Increased for SCADA backup service; AMI Meter Cloud Service
65150	Laboratory Services	25,044.00	23,500.00	23,500.00	0.00	
65160	Safety Equipment	5,077.00	5,000.00	5,000.00	0.00	
65170	Shop Supplies	4,525.00	5,000.00	5,000.00	0.00	
Total Other Field Operations		61,896.00	67,275.00	72,600.00	5,325.00	
65200 Treatment		16,779.00	15,000.00	18,000.00	3,000.00	Increased based on prior year actual expense
65300 Pumping						
65310	Maintenance	23,506.00	25,000.00	25,000.00	0.00	
65320	Electricity and Fuel	174,217.00	180,000.00	180,000.00	0.00	
Total Pumping		197,723.00	205,000.00	205,000.00	0.00	

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
65400	Transmission & Distribution					
65410	Distribution Supplies	30,937.00	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	2,400.00	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	89,852.00	117,534.00	177,600.00	60,066.00	
67000	Transportation					
67001	Fuel	12,526.00	13,000.00	13,000.00	0.00	
67002	Maintenance	4,618.00	6,000.00	6,000.00	0.00	
	Total Transportation	17,144.00	19,000.00	19,000.00	0.00	
	TOTAL FIELD OPERATIONS	\$383,394.00	\$423,809.00	\$492,200.00	\$68,391.00	
	TOTAL OPERATING EXPENSE	\$1,803,560.00	\$1,925,344.00	\$2,055,645.00	\$130,301.00	

Non-Operating Expense

		2018-2019 ACTUAL UNAUDITED	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
69010	Debt Service					
69100	Revenue Bond 2015					
69105	Revenue Bond 2015-Principle	133,163.00	133,163.00	139,015.00	5,852.00	Per Loan Payment Schedule
69120	Interest	65,726.00	65,726.00	61,717.00	-4,009.00	Per Loan Payment Schedule
	Total Revenue Bond 2015	198,889.00	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 EXPENSE		\$257,403.00	\$259,403.00	\$261,246.00	\$1,843.00	
TOTAL OPERATING & NON-OPERATING EXPENSE		\$2,060,963.00	\$2,184,747.00	\$2,316,891.00	\$132,144.00	
NET REVENUE (Revenue-Expense)		\$529,823.00	\$550,082.00	\$479,940.00	\$-70,142.00	

Summary Net Revenue

TOTAL OPERATING & NON-OPERATING REVENUE	\$2,590,786.00	\$2,734,829.00	\$2,796,831.00	\$62,002.00
TOTAL OPERATING & NON-OPERATING EXPENSE	\$2,060,963.00	\$2,184,747.00	\$2,316,891.00	\$132,144.00
NET REVENUE (Revenue-Expense)	\$529,823.00	\$550,082.00	\$479,940.00	\$-70,142.00**

****Note:** The net revenue decrease of \$70,142.00 is the direct result of \$60,000.00 budgeted GL 65450 Valve Replacements and GL 65460 Paving Repairs previously classified as a Capital Improvement expense. The remaining net revenue decrease \$10,142.00 is a culmination of revenue and expense adjustments.

Fund Balances

	2018-2019 BUDGET	2019-2020 BUDGET	DIFFERENCE	EXPLANATION
OPERATING FUND BALANCE				
Operating Account Balance June 30	\$634,454.00	\$634,536.00		
Net Revenue	550,082.00	479,940.00		
Transfer to CEBRT Funds	0.00	-20,000.00	20,000.00	Increased to budget for new CEBRT account
Transfer to Operating Reserve	0.00	-50,000.00	50,000.00	One-time adjustment to equal 1 months operating expenditures
Transfer to Capital Improvement Funds	-550,000.00	-409,940.00	-140,060.00	Decreased to adjust for available funds
Estimated Operating Fund Balance June 30	\$634,536.00	\$634,536.00		
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		
41110 Investment Revenue	8,000.00	8,000.00		
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		
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 District Repayment 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		

CERBT FUND BALANCE					
CERBT Fund Balance June 30		\$0.00	\$16,355.75		
10625	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		
LAIF FUND (CAPACITY FEES) BALANCE					
CERBT Fund Balance June 30		\$0.00	\$205,000.00		
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 Only
	Deposit Transfer Prior Year Connection Balance	205,000.00	0.00	-205,000.00	Carryover from prior year only
Estimated CERBT Fund Balance June 30		\$205,000.00	\$245,500.00		

Capital Budget Technical Memorandum

The Technical Memorandum (TM) provides the revised budget descriptions for the proposed 2018/19 Rio Linda/Elverta Water District's (District) Capital Budget. The following are a list of the budget items along with their descriptions:

A · Water Supply

A-1 · Wellhead Hexavalent Chromium (Cr6) Treatment of an existing well – 50,000

This budget item is associated with ion-exchange treatment of an existing production well. The budgeted amount reflects the anticipated costs for revising the existing design to reflect feasible treatment techniques.

A-2 · Well 16 – Ground Water Pumping Station – 2,500,000

The budget item is for the cost for the new pumps, piping motor control equipment, SCADA etc. for the groundwater pumping station for Well #16.

The funding source are Opus Bank loan (debt service via Surcharge #2) and a Proposition 84 Grant (reallocated from the A-1 project above pending approval of DWR) that is being administered by the Regional Water Authority. This project is planned to be completed by September 2020.

A-3 · Miscellaneous Pump Replacements – 40,000

The budget item is for the replacement or repair of any well pump and/or motor that fails in the budgeted year.

B · Water Distribution

B-1 · Service Replacements – 30,000

The budget item is to replace leaking services that require replacement throughout the budgetary year.

B-2 · Large Meter Replacements – 5,000

The budget item is to replace large water meters that are underreporting their water usage due to age.

C · Contingency

C-1 · Contingency

This budget item accounts for the cost of unbudgeted projects that are not planned for in the capital budget. The budgeted cost is based on 10% of the total Capital Budget.

GLOSSARY

ACCRUAL BASIS The method of accounting whereby income and expense items are recognized as they are earned or incurred, even though they may not have been received or actually paid in cash.

ACWA Association of California Water Agencies

AMI Advanced Metering Infrastructure (AMI) is the new term coined to represent the networking technology of fixed network meter systems that go beyond Automated Meter Readers (AMR) into remote utility management. The meters in an AMI system are often referred to as smart meters, since they often can use collected data based on programmed logic.

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

AWWA American Water Works Association

BEGINNING BALANCE The beginning balance is comprised of residual funds brought forward from the previous fiscal year.

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

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

CAPITAL ASSETS Long-lived tangible and intangible assets obtained or controlled as a result of past transactions, events or circumstances. Current District policy is to capitalize any asset cost of \$1,500 with a useful life of 2 years or more.

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

CRWA California Rural Water Association

CSDA California Special Districts Association

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

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

HEXAVALENT CHROMIUM (Cr6) Refers to chemical compounds that contain the element chromium in the +6 oxidation state.

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

MOU Memorandum of Understanding agreement

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

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

PCWA Placer County Water Agency

PERS Public Employees Retirement System

PROPOSITION 218 Prop 218 amended the California Constitution to protect taxpayers by limiting the methods by which local governments can create or increase taxes, fees, and charges without taxpayer consent. Prop 218 requires voter approval prior to imposition or increase of general taxes, assessments, and certain user fees.

RWA Regional Water Authority

SAWWA Sacramento Area Water Works Association

SCADA Supervisory Control and Data Acquisition uses computer technology to monitor and control remote facilities such as pumps and reservoirs.

SGA Sacramento Ground Water Authority



**Consent Calendar
Agenda Item: 4.1**

Date: August 19, 2019

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:_____ Harris:_____ Jason Green_____ Gifford_____ Reisig_____.

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

**MINUTES OF THE
JULY 15, 2019
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The July 15, 2019 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Visitor's Depot Center located at 6730 Front Street, Rio Linda, CA 95673. General Manager Tim Shaw took roll call of the Board of Directors. Director Harris, Director Jason Green, President John Ridilla, Director Chris Gifford, Director Robert Reising and General Manager Tim Shaw were present. Director Ridilla led the pledge of allegiance. Director Reising announced on behalf of the Board if they could congratulate Donna Sullivan elected as CEO of the Sacramento Business Journal.

2. PUBLIC COMMENT

No public comment.

3. CONSENT CALENDAR

3.1 Minutes

June 17, 2019

3.2 Expenditures

3.3 Financial Reports

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

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1. Consider approving the draft Request for Proposals (RFP) for Sacramento Regional Water Agencies Collaboration Study.

GM Shaw has been meeting with the General Managers of eight other water agencies in our region and providing updates to the Planning Committee and Board via GM reports. These occasional meetings have spanned the past six months. The objective of the meetings was to explore the feasibility of saving our respective agencies money and time via collaboration.

There are two agencies that are genuinely contemplating or exploring consolidation, Sacramento Suburban and San Juan Water Districts. The now remaining five agencies (Del Paso Manor and Orangevale have dropped out), are unable and/or uninterested in exploring merger/consolidation. The non-consolidation agencies are interested in saving or cost avoidance through collaboration with neighboring agencies. The non-consolidation agencies could benefit via sharing the costs for compliance with existing and future regulatory requirements, group purchasing power, sharing infrequently used facilities, etc.

Director Harris expressed her concerns with the topic of merger being presented.

Paul Helliker, General Manager of San Juan Water District, attended the meeting as a guest speaker for more information on the subject.

No public comment.

It was moved by Director Ridilla and seconded by Director Green to support the draft Request for Proposal for Sacramento Region Water Utility Collaboration/Integration Study RFP conditioned on final estimated cost and cost allocation methodologies acceptable to the District, and further subject to review by District Legal Counsel. Directors Green, Reisig, Gifford and Ridilla voted yes. Director Harris voted no. The motion carried with a vote of 4-1-0.

4.2 General Manager's Report

GM Shaw provided a written report.

No public comment.

The Board made no action on this item

4.3 District Engineer's Report – Mike Vasquez

District Engineer Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering, Well 16 Pumping Station Equipping and Site Design Project, Well 10 Hexavalent Chromium Treatment Project.

No public comment on this item.

The Board made no action on this item

4.4 Consider approving the contract Terms and Conditions with Stripe for processing credit/debit card payments by RLECWD customers.

As discussed at the 6-17-2019 Board meeting, several issues have emerged with the current credit/debit card processing service, Bluefin. In addition to the issues regarding the Bluefin contract, Bluefin's convenience fee shows as a charge from Arkansas.

When staff reached out to CUSI for help with the fraud flagging issues associated with the Arkansas based convenience fee charge, CUSI made the District aware of the only other credit/debit card processor that is integrated to eliminate batch postings. Stripe is based in Northern California. The Stripe Terms and Conditions are far better than Bluefin, but not as good as PayGov.US.

Legal Counsel was provided a copy of the Stripe Terms and Conditions on June 14th.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to approve the Stripe Terms and Conditions and direct the General Manager to notify Bluefin to terminate and authorize execution of the Stripe Contract. Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

4.5 Consider designating surplus assets in accordance with District policy.

District policy requires that the Board designate District assets as surplus and authorize staff to disposition the assets through public auction.

Surplus Asset Description	Asset Type	Equipment Age In Years	VIN Number	Fixed Asset Item Name (district use only)
2007 Ford Ranger 2dr SuperCab 3.0L XL	Vehicle	12	1FTYR14U37PA29005	GP.VEH.2007 RANGER_07 - 120
2007 Vac-con VT-FNP Trailer	Heavy Equipment	12	5HZBF17287LG77119	GP.HEQUIP.07VACTRAILER_17 - 121
Avaya Partner Phone System & 1 AT&T Small Business Phone	Office Equipment	10-20		NA
Desktop Printer Lot - 3	Office Equipment	5-10		NA
Computer Monitor Lot - 4	Office Equipment	5-10		NA
Desktop Personal Computers-7 & 2 Network Servers	Office Equipment	5-10		NA
Overhead Projector	Office Equipment	15		NA
Typewriter	Office Equipment	15		NA

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to approve the attached list of proposed surplus assets and authorize staff to disposition these surplus assets in accordance with District policy. Directors Green, Harris, Reisig, Gifford and Ridilla voted yes. The motion carried with unanimous vote of 5-0-0.

4.6 Consider authorizing any new Board Member assignments (committees and other) announced by the Chair pursuant to District Policy 2.01.065.

- 4.6.1 **Regional Water Authority- President Ridilla recommended Director Chris Gifford (primary) and GM Tim Shaw (alternate).**
- 4.6.2 **Sacramento Groundwater Authority – President Ridilla recommended Director Mary Harris (primary) and Robert Reisig (alternate)**
- 4.6.3 **Sacramento County Local Agency Formation Commission. President Ridilla recommended nominating Jason Green to run for LAFCo and Director Harris as the alternate. Executive Committee stays the same with Directors Harris and Green.**
- 4.6.4 **Association of California Water Agencies (ACWA) and ACWA-Joint Powers Insurance Authority (JPIA): primary Director Ridilla primary and Director Harris as the alternate. and typically one director serves both ACWA and ACWA-JPIA.**

It was moved by Director Ridilla and seconded by Director Green to approve the appoints made to the RWA, SGA, LAFCo, ACWA and ACWA/JPIA committees. Directors Green, Harris, Reisig, Gifford and Ridilla voted yes. The motion carried with unanimous vote of 5-0-0.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- 1. Water Operations Report
- 2. Conservation Report
- 3. Status of Economic Feasibility Criteria for Hexavalent Chromium Maximum Contaminant Level (MCL).

5.2. BOARD REPORTS

- 1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 2. Regional Water Authority –Agenda, Executive Summary written report.
- 3. Sacramento Groundwater Authority – Harris – No meeting this month.
- 4. LAFCO – Vacant
- 5. Executive Committee – Harris, Green - Minutes provided.
- 6. ACWA – Ridilla – No Report

7. ACWA JPIA – Ridilla - No Report
8. Other Reports, e.g.

6. **DIRECTORS' AND GENERAL MANAGER COMMENTS** - No comments.

7. **ADJOURNMENT**

Direct Ridilla adjourned the meeting at 7:55p.m.

Respectfully submitted,

Timothy R. Shaw, Secretary

John Ridilla, President of the Board

DRAFT



**Consent Calendar
Agenda Item: 4.2**

Date: August 19, 2019

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for June 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

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

Type	Date	Num	Name	Memo	Amount
Liability Check	06/03/2019	EFT	Internal Revenue Service	Employment Taxes	950.34
Liability Check	06/03/2019	EFT	Employment Development	Employment Taxes	71.90
Liability Check	06/03/2019	EFT	Nationwide	Deferred Compensation Plan	1,249.30
Liability Check	06/04/2019	EFT	QuickBooks Payroll Service	For PP Ending 05/31/2019 Paydate 06/05/2019	18,723.71
Liability Check	06/05/2019	EFT	CalPERS	For PP Ending 05/31/2019 Paydate 06/05/2019	2,026.44
Liability Check	06/05/2019	EFT	CalPERS	For PP Ending 05/31/2019 Paydate 06/05/2019	1,849.54
Liability Check	06/05/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	06/05/2019	EFT	Nationwide	Deferred Compensation Plan	1,214.19
Liability Check	06/05/2019	EFT	Nationwide	Deferred Compensation Plan	25.00
Bill Pmt -Check	06/05/2019	EFT	Adept Solutions	Computer Maintenance	1,109.00
Bill Pmt -Check	06/05/2019	EFT	Comcast	Phone/Internet	376.25
Bill Pmt -Check	06/05/2019	EFT	Republic Services	Utilities	86.81
Liability Check	06/05/2019	EFT	Internal Revenue Service	Employment Taxes	6,632.74
Liability Check	06/05/2019	EFT	Employment Development	Employment Taxes	1,375.89
Paycheck	06/05/2019	EFT	Voyager Fleet Commander	Transportation Fuel	38.07
Check	06/05/2019	EFT	Wageworks	FSA	47.97
Check	06/05/2019	5924	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Check	06/05/2019	5925	Customer	Reimbursement of capacity fees	4,740.00
Bill Pmt -Check	06/05/2019	5826	ACWA/JPIA	EAP	21.15
Bill Pmt -Check	06/05/2019	5927	Buckmaster Office Solutions	Office Equipment Expense	72.38
Bill Pmt -Check	06/05/2019	5928	Henrici, Mary	Retiree Insurance Benefits	900.00
Bill Pmt -Check	06/05/2019	5929	Rio Linda Hardware and Building Supply	Shop Supplies	103.15
Bill Pmt -Check	06/05/2019	5930	Todd, John	Computer Maintenance	140.00
Bill Pmt -Check	06/05/2019	5931	Sierra Chemical Company	Chemical Supplies	861.30
Bill Pmt -Check	06/05/2019	5932	Spok, Inc.	Field Communication	15.17
Bill Pmt -Check	06/05/2019	5933	Staples	Office Expense	442.42
Bill Pmt -Check	06/05/2019	5934	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	06/05/2019	5935	Eaton Pumps Sales & Service	Capital Improvement: Well 17	27,649.66
Liability Check	06/14/2019	EFT	WageWorks	FSA	71.00
Check	06/14/2019	EFT	WageWorks	FSA	51.78
Check	06/17/2019	EFT	ARCO	Transportation: Fuel	779.76
Liability Check	06/17/2019	EFT	AFLAC	Employee Paid Insurance	651.04
Liability Check	06/19/2019	EFT	QuickBooks Payroll Service	For PP Ending 06/15/19 Pay date 06/20/19	16,866.76
Liability Check	06/20/2019	EFT	CalPERS	For PP Ending 06/15/19 Pay date 06/20/19	2,369.20
Liability Check	06/20/2019	EFT	CalPERS	For PP Ending 06/15/19 Pay date 06/20/19	2,039.86
Liability Check	06/20/2019	EFT	Internal Revenue Service	Employment Taxes	6,075.86
Liability Check	06/20/2019	EFT	Employment Development	Employment Taxes	1,211.26
Liability Check	06/20/2019	EFT	Nationwide	Deferred Compensation Plan	1,187.09
Liability Check	06/20/2019	EFT	Nationwide	Deferred Compensation Plan	25.00
Liability Check	06/20/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	06/20/2019	EFT	Kaiser Permanente	Health Insurance	342.43
Liability Check	06/20/2019	EFT	Principal	Dental & Vision Insurance	1,474.78
Liability Check	06/20/2019	EFT	Western Health Advantage	Health Insurance	12,350.17
Bill Pmt -Check	06/20/2019	EFT	Verizon	Field Communication	381.93

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

Type	Date	Num	Name	Memo	Amount
Check	06/20/2019	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,835.00
Check	06/20/2019	EFT	RLECWD - SURCHARGE ACCOUNT 1	Current Monthly Transfer	45,054.18
Check	06/20/2019	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-Monthly Transfer	72,802.73
Check	06/20/2019	EFT	RLECWD - Operating	Transfer funds for Security Deposits paid with Credit Card	800.00
Bill Pmt -Check	06/20/2019	EFT	Bankcard Center 2911	Computer, Meetings, Office, Postage Staff Training	5,563.68
Bill Pmt -Check	06/20/2019	EFT	Bankcard Center 6798	Fuel	100.00
Bill Pmt -Check	06/20/2019	EFT	Bankcard Center 7806	Pump Maintenance, Uniforms	956.08
Check	06/20/2019	5936	Homes by Towne	Elverta Specific Plan reimbursement of developer deposit from 2014	25,000.00
Check	06/20/2019	5937	Customer	Final Bill Refund	6.40
Check	06/20/2019	5938	Customer	Developer Deposit Refund	792.10
Check	06/20/2019	5939	Customer	Developer Deposit Refund	1,000.00
Check	06/20/2019	5940	Void	Void	0.00
Liability Check	06/20/2019	5941	Teamsters Local #150	Union Dues	552.00
Bill Pmt -Check	06/20/2019	5942	American Mobile Shredding	Office Expense	27.00
Bill Pmt -Check	06/20/2019	5943	BSK Associates	Lab Fees	240.00
Bill Pmt -Check	06/20/2019	5944	California Rural Water Association	Water Membership	1,302.00
Bill Pmt -Check	06/20/2019	5945	Churchwell White	Legal	3,915.30
Bill Pmt -Check	06/20/2019	5946	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	06/20/2019	5947	DirectHit Pest Control	Building Maintenance	75.00
Bill Pmt -Check	06/20/2019	5948	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	06/20/2019	5949	Government Finance Officers Association	Office Expense	160.00
Bill Pmt -Check	06/20/2019	5950	Intermedia.net, Inc.	Telephone	63.74
Bill Pmt -Check	06/20/2019	5951	Oreilly Automotive	Transportation: Maintenance	138.29
Bill Pmt -Check	06/20/2019	5952	PG&E	Utilities	45.50
Bill Pmt -Check	06/20/2019	5953	Quill Corporation	Office Expense	52.93
Bill Pmt -Check	06/20/2019	5954	Regional Water Authority	Capacity Fee Expense-Sacramento Regional Water Bank Phase 1	4,000.00
Bill Pmt -Check	06/20/2019	5955	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	50.00
Bill Pmt -Check	06/20/2019	5956	Sierra Chemical Company	Chemical Supplies	1,259.30
Bill Pmt -Check	06/20/2019	5957	Tees Unlimited	Conservation	110.98
Bill Pmt -Check	06/20/2019	5958	The News	Publishing, Printing	1,919.00
Bill Pmt -Check	06/20/2019	5959	Unifirst Corporation	Uniforms	258.12
Bill Pmt -Check	06/20/2019	5960	USA BlueBook	Safety Expense	3,397.26
Bill Pmt -Check	06/20/2019	5961	Postmaster	Postage	268.00
Bill Pmt -Check	06/20/2019	5962	Water Rite Products	Shop Supplies	39.03
Bill Pmt -Check	06/20/2019	5964	Domenichelli & Associates	Capital Improvement: Well 16	55,108.90
Bill Pmt -Check	06/27/2019	EFT	WageWorks	FSA	18.40
Check	06/28/2019	5966	Customer	Final Bill Refund	128.03
Total 10000 - Bank - Operating Account					410,263.10

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

Type	Date	Num	Payee	Memo	Amount
Transfer	06/20/2018	EFT	RLECWD - Operating Account	May 2018 Security Deposits Applied	1,700.00
10100 · Security Deposits					<u>1,700.00</u>
Type	Date	Num	Payee	Memo	Amount
Check	06/28/2019	EFT	State Water Resources Control Board	Safe Drinking Water State Revolving Fund Loan Payment	230,677.32
10300 · Surcharge 1 Account					<u>230,677.32</u>
Type	Date	Num	Payee	Memo	Amount
Transfer	06/05/2019	EFT	RLECWD - Operating	CIP Expense Transfer. Refer to operating check numbers: 5934	27,649.66
10455 · Capital Improvement Reserve					<u>27,649.66</u>



**Consent Calendar
Agenda Item: 4.3**

Date: August 19, 2019
Subject: Financial Reports
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

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

Conclusion:

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

Board Action / Motion

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

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

ASSETS	
Current Assets	
Checking/Savings	
100 · Cash & Cash Equivalents	
10000 · Operating Account	
10005 · Operating Fund	514,769.28
10010 · Operating Reserve Fund	250,000.00
Total 10000 · Operating Account	764,769.28
Surcharge 10100 · Trust/Security Deposit Account	
10450 · Capital Improvement	
10455 · Capital Improvement Fee Reserve	1,403,610.15
10460 · Vehicle Replacement Reserve	10,000.00
10465 · Cr6 Project	37,259.18
Total 10450 · Capital Improvement	1,450,869.33
Total 100 · Cash & Cash Equivalents	2,259,240.61
102 · Restricted Assets	
102.1 · Restricted Capital Improvements	
10700 · ZIONS Inv/Surcharge Reserve	505,236.18
Total 102.1 · Restricted Capital Improvements	505,236.18
102.2 · Restricted for Debt Service	
10300 · Surcharge 1 Account	556,620.52
10325 · Community Business Bank	5,818.96
10350 · Umpqua Bank	40,101.65
10350 · Surcharge 2 Account	166,926.53
Total 102.2 · Restricted for Debt Service	769,467.66
102.4 · Restricted Other Purposes	
10600 · LAIF Account	205,000.00
10625 · CalPERS-CERTBT	16,355.75
Total 102.4 · Restricted Other Purposes	221,355.75
Total 102 · Restricted Assets	1,496,059.59
Total Checking/Savings	3,755,300.20
Accounts Receivable	33,345.29
Other Current Assets	
12000 · Water Utility Receivable	88,237.37
12200 · Accrued Revenue	150,000.00
12250 · Accrued Interest Receivable	0.00
15000 · Inventory Asset	97,034.88
16000 · Prepaid Expense	28,381.86
Total Other Current Assets	363,654.11
Total Current Assets	4,152,299.60
Fixed Assets	
17000 · General Plant Assets	787,321.26
17100 · Water System Facilities	20,834,314.26
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	15,038,898.87
Other Assets	
19000 · Deferred Outflows	347,606.00
19900 · Suspense Account	0.00
Total Other Assets	347,606.00
TOTAL ASSETS	19,538,804.47

Accrual Basis

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

LIABILITIES & EQUITY

Liabilities	
Current Liabilities	
Accounts Payable	111,841.62
Credit Cards	2,348.50
Other Current Liabilities	621,564.93
Total Current Liabilities	<u>735,755.05</u>
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	<u>9,168,394.05</u>
Total Liabilities	<u>9,904,149.10</u>
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	772,255.91
Total Equity	<u>9,634,655.37</u>
TOTAL LIABILITIES & EQUITY	<u><u>19,538,804.47</u></u>

Rio Linda Eiverta Community Water District
 Unaudited Operating Profit & Loss Budget Performance
 June 2019

	<u>Annual Budget</u>	<u>Jun 19</u>	<u>Jul 18-Jun 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	158,200.74	2,502,410.34	93.92%	162,018.66
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	10.74	411.59	102.90%	-11.59
Surcharg Total 41110 · Investment Revenue	400.00	10.74	411.59	102.90%	-11.59
41120 · Property Tax	70,000.00	0.00	87,964.04	125.66%	-17,964.04
Total 41000 · Nonoperating Revenue	70,400.00	10.74	88,375.63	125.53%	-17,975.63
Total Income	<u>2,734,829.00</u>	<u>158,211.48</u>	<u>2,590,785.97</u>	<u>94.73%</u>	<u>144,043.03</u>
Gross Income	2,734,829.00	158,211.48	2,590,785.97	94.73%	144,043.03
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	165,979.00	16,949.70	149,778.81	90.24%	16,200.19
60100 · Personnel Services					
60110 · Salaries & Wages	663,114.00	59,496.11	625,969.05	94.40%	37,144.95
60150 · Employee Benefits & Expense	408,099.00	37,420.75	402,457.86	98.62%	5,641.14
Total 60100 · Personnel Services	<u>1,071,213.00</u>	<u>96,916.86</u>	<u>1,028,426.91</u>	<u>96.01%</u>	<u>42,786.09</u>
60200 · Administration	257,595.00	16,979.40	236,115.99	91.66%	21,479.01
64000 · Conservation	6,748.00	110.98	5,843.98	86.60%	904.02
65000 · Field Operations	423,809.00	42,472.40	383,393.93	90.46%	40,415.07
Total 60000 · Operating Expenses	<u>1,925,344.00</u>	<u>173,429.34</u>	<u>1,803,559.62</u>	<u>93.68%</u>	<u>121,784.38</u>
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	133,163.00	0.00	133,163.00	100.00%	0.00
69110 · Interest	65,726.00	0.00	65,725.80	100.00%	0.20
Total 69100 · Revenue Bond	<u>198,889.00</u>	<u>0.00</u>	<u>198,888.80</u>	<u>100.00%</u>	<u>0.20</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>257,402.72</u>	<u>100.00%</u>	<u>0.28</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>257,402.72</u>	<u>99.23%</u>	<u>2,000.28</u>
Total Expense	<u>2,184,747.00</u>	<u>173,429.34</u>	<u>2,060,962.34</u>	<u>94.33%</u>	<u>123,784.66</u>
Net Ordinary Income	<u>550,082.00</u>	<u>-15,217.86</u>	<u>529,823.63</u>		
Net Income	<u>550,082.00</u>	<u>-15,217.86</u>	<u>529,823.63</u>		

CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2018-2019
Unaudited July 2018 through June 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	550,008.00	-	-	-	-	-	-
CIP Fund Intrafund Transfers	(10,000.00)	(10,000.00)	-	(205,000.00)	-	-	10,000.00	10,000.00
Surcharge 2 Surplus Repayment	-	-	-	-	435,752.00	435,752.00	-	-
Contributed Funding								
Capacity Fee Revenue	-	-	40,000.00	51,704.90	-	-	-	-
Contributed Facilities (Developers)	-	-	-	26,488.64	-	-	-	-
Grant Revenue	-	-	-	-	20,000.00	-	-	-
Loan Proceeds	35,212.00	33,892.14	18,055.00	18,055.00	2,468,239.00	105,899.34	30,000.00	26,720.51
Investment Revenue	350.00	842.79	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,001,626.00	2,000,806.93	188,043.00	21,236.54	2,469,674.00	87,334.34	40,000.00	36,720.51
PROJECTS								
A - WATER SUPPLY								
A-1 - Well 10 - Cr6 Treatment	-	-	-	-	40,000.00	-	-	-
A-2 - Well 16	-	-	-	-	2,448,239.00	116,926.24	-	-
A-3 - Well 17	28,000.00	27,649.66	-	-	-	-	-	-
A-4 - Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-	-	-
Total A - WATER SUPPLY	68,000.00	27,649.66	-	-	2,488,239.00	116,926.24	-	-
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	3,561.34	-	-	-	-	-	-
Total B - WATER DISTRIBUTION	95,000.00	33,170.84	-	-	-	-	-	-
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	8,892.14	-	-	-	-	-	-
M-4 - Truck	-	-	-	-	-	-	30,000.00	26,720.51
Total M - GENERAL PLANT ASSETS	38,016.00	36,696.10	18,055.00	16,835.00	-	-	30,000.00	26,720.51
C - CONTINGENCY								
C-1 - Contingency (10% of Est A,B,M, & FO)	20,101.60	-	1,805.50	4,000.00	248,823.90	-	3,000.00	-
TOTAL BUDGETED PROJECT EXPENDITURES	221,117.60	97,516.60	19,860.50	20,835.00	2,737,062.90	116,926.24	33,000.00	26,720.51
ENDING FUND BALANCE	\$ 1,780,508.40	\$ 1,903,290.33	\$ 168,182.50	\$ 401.54	\$ (267,386.90)	\$ (29,591.90)	\$ 7,000.00	\$ 10,000.00

Rio Linda Elverta Community Water District
Unaudited Surcharge 1 Profit & Loss Budget Performance
June 2019

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	<u>Annual Budget</u>	<u>Jun 19</u>	<u>Jul-Jun 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	1,190.24	2,206.55	100.0%	-2,206.55
41112 · Interest Revenue	8,000.00	510.90	7,470.26	93.38%	529.74
41113 · Market Value Adjustment	0.00	1,728.29	4,831.98	100.0%	-4,831.98
	<u>8,000.00</u>	<u>3,429.43</u>	<u>14,508.79</u>	<u>181.36%</u>	<u>-6,508.79</u>
43010 · Surcharge 1 Revenue	<u>523,374.00</u>	<u>126.98</u>	<u>465,430.41</u>	<u>88.93%</u>	<u>57,943.59</u>
Total Income	<u>531,374.00</u>	<u>3,556.41</u>	<u>479,939.20</u>	<u>90.32%</u>	<u>51,434.80</u>
Gross Income	531,374.00	3,556.41	479,939.20	90.32%	51,434.80
Expense					
69150 · Surcharge (SRF)					
69155 · Principle	342,540.00	172,363.88	342,540.40	100.0%	-0.40
69160 · Interest	118,814.00	58,313.44	118,814.24	100.0%	-0.24
69170 · Admin Fees	2,210.00	545.86	2,160.58	97.76%	49.42
Total 69150 · Surcharge (SRF)	<u>463,564.00</u>	<u>231,223.18</u>	<u>463,515.22</u>	<u>99.99%</u>	<u>48.78</u>
Total Expense	<u>463,564.00</u>	<u>231,223.18</u>	<u>463,515.22</u>		
Net Income	<u>67,810.00</u>	<u>-227,666.77</u>	<u>16,423.98</u>		

**Rio Linda Elverta Community Water District
Unaudited Surcharge 2 Profit & Loss Budget Performance
June 2019**

	<u>Annual Budget</u>	<u>Jun 19</u>	<u>Jul-Jun 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	20.00	8.11	142.03	710.15%	-122.03
	<u>20.00</u>	<u>8.11</u>	<u>142.03</u>	<u>710.15%</u>	<u>-122.03</u>
43050 · Surcharge 2 Revenue	439,019.00	102.48	375,535.84	85.54%	63,483.16
Total Income	<u>439,039.00</u>	<u>110.59</u>	<u>375,677.87</u>	<u>85.57%</u>	<u>63,361.13</u>
Gross Income	439,039.00	110.59	375,677.87	85.57%	63,361.13
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	195,000.00	0.00	195,000.00	100.0%	0.00
69185 · Interest	136,038.00	0.00	2,158.20	1.59%	133,879.80
Total 69175 · Surcharge 2 Loan	<u>331,038.00</u>	<u>0.00</u>	<u>197,158.20</u>	<u>59.56%</u>	<u>133,879.80</u>
Total Expense	<u>331,038.00</u>	<u>0.00</u>	<u>197,158.20</u>		
Net Income	<u>108,001.00</u>	<u>110.59</u>	<u>178,519.67</u>		



**Items for Discussion and Action
Agenda Item: 5.1**

Date: August 19, 2019
Subject: General Manager's Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

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

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 5.1

Date

Initial Potential Meeting Date

8/19/19

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

General Managers Report

Staff Work Completed

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

8/15/19

Committee Review of Item and Staff Work

N/A

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

Formal Legal Counsel Review

N/A

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

GM Review

8/15/19

Actual Meeting Date Set for Agenda Item

8 /19/19



Date: August 19, 2019

Subject: General Manager Report

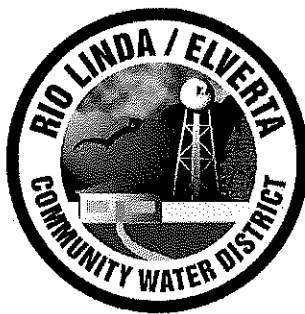
Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: The human resources / personnel component of my responsibilities demanded substantive time on the Distribution Operator I position. Last month's new hire submitted his letter of resignation. I facilitated an exit interview, which established pay as the primary reason for departure. I contacted the next highest rated applicant on the eligibility list and began the onboarding process all over again. Other significant demands for my attention included needed actions for allowing the Board to consider authorizing the draw from Opus Bank for Cr+6 mitigation project(s) and reviewing rates, rate structures, and fixed charge percentages among area water agencies in support of an item on the August 5th Executive Committee agenda.

1. On July 17th Kim Bassett and I attended the SB-998 implementation workgroup meeting in Folsom. Many area water agencies are sharing their documents and methods for implementing requirements of SB-998. The deadline for compliance is less than 6-months from now.
2. On July 22nd, we convened another session of the Employee Retention Advisory Committee. One of the focus items discussed was flexible schedules, e.g. 9/80s and 4-10s.
3. On July 24th I met with Charles Duncan of West Yost Engineers to discuss the status of the RiverArc project and similar efforts.
4. On Aug 6th. I met (via webcast) with Govinvest to discuss the need and fit for pension unfunded liability software.
5. On Aug 7th Deborah Denning and I met with Umpqua (via webcast) on the status of transitioning from Cal Bank and Trust to Umpqua.
6. On Aug 8th, I attended the ACWA Groundwater Committee meeting in Sacramento. I participated in the morning session via webcast, and I participated live in the afternoon session. The afternoon session included updates of the state's economic feasibility determination for re-adopting the Hexavalent Chromium MCL. Committee members expressed they "would not be surprised if the Oct/Nov stakeholders' workshops were postponed again. The process is complicated by the attention being paid to the PFOA contaminant issue. In short, the state Division of Drinking Water is aware of the impact of

7. Other initiatives in progress are:

We switched from the Bluefin credit/debit card processing service to Stripe. This eliminated the false fraud algorithm issue where the convenience fee shows up as a charge from Arkansas a few milliseconds after a charge in California. The transition, which entailed a new credit/debit card reader with microchip capability was disruptive for a staff our size. The transition also involved porting the banking information from one service provider to the other.



**Items for Discussion and Action
Agenda Item: 5.2**

Date: August 19, 2019
Subject: District Engineer's Report
Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

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

Conclusion:

There is no Board action anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 5.2

Date

Initial Potential Meeting Date

8/19/19

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

District Engineers Report

8/16/19

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

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

Formal Legal Counsel Review

N/A

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

GM Review

8/16/19

Actual Meeting Date Set for Agenda Item

8 /19/19

15 August 2019

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 19 August 2019 Board of Directors Meeting (EKI Project No. B800130.00)**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 11 July 2019 to 15 August 2019:

1. General District Engineering:

- Conducted a conference call with the General Manager and Operations Superintendent to discuss advanced metering infrastructure (AMI) for groundwater wells, and hydrant fire flow testing.
- Provided the General Manager with feedback on the Opus Bank draw authorization amount for Well 16.

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

- The General Manager and I met with Domenichelli & Associates on 7/11/2019 to provide our review comments on their 60% design.
- Have been coordinating with Domenichelli & Associates regarding 95% design elements and providing comments on permit applications.
- The 95% design is scheduled to be submitted the week of 8/19/2019.
- As discussed with the Executive Committee, it is anticipated to advertise the project for construction bids in October 2019, pending approval of construction related permits.
- The project remains on schedule and within budget.

3. Well 10 Hexavalent Chromium Treatment Project:

- Provided Well 16 water quality test results to DWR through RWA on 7/31/2019. DWR requested the data to ensure that Well 16 met Hexavalent Chromium MCL requirements. The data was provided to RWA immediately upon request.
- Pursuant to an e-mail dated 8/2/2019 received by the General Manager and I, forwarded by Rob Swartz (RWA) from Teji Sandhu (DWR), DWR is agreeable to repurposing DWR Proposition 84 Grant funding in the amount of \$505,000 from the Well 10 Hexavalent Chromium Treatment project to the Well 16 project. DWR stated

Tim Shaw, General Manager, RL/ECWD
District Engineer's Report
15 August 2019
Page 2 of 2



that an amendment to the executed funding agreement will be available in late August or early September 2019.

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

Very truly yours,

EKI ENVIRONMENT & WATER, INC.

A handwritten signature in black ink, appearing to read 'Mike Vasquez', written over a faint, larger version of the signature.

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



Items for Discussion and Action

Agenda Item: 5.3

Date: August 19, 2019

Subject: Authorize amount to draw from Opus Bank for Hexavalent Chromium Mitigation Project(s)

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommends the Board authorize the Opus Bank draw in an amount corresponding to the funding needed to construct the Well #16 Groundwater Pumping Station, i.e. defer the funding for Hexavalent Chromium ion exchange treatment of an existing well.

Current Background and Justification:

In 2016, the District adopted a rate adjustment which included Surcharge #2 as designated and restricted funding for Hexavalent Chromium mitigation. In February 2018, the Board authorized a municipal financing loan through Opus Bank and all appurtenant terms and documents. The designated source of funding for the Opus Bank loan debt service is Surcharge #2. The loan terms provided for an 18-months draw period, which was very advantageous to the District given the uncertainty of the need and cost of Hexavalent Chromium mitigation projects in February 2018. The end of the draw period is September 1, 2019. Very simply, the District will not have to pay interest on money it does not draw. On or before September 1, 2019, the District must decide how much of the \$3.87 million the District believes it will need to complete the project(s).

If we draw more than we ultimately need, the District will pay 3.28% interest while we wait for the state to readopt the Hexavalent Chromium MCL and the projects to eventually move forward. If the District draws less than it needs to complete project(s), the District may; designate alternative funding, elect to downsize the project, or (drastically) elect to terminate the project(s). If such project termination and/or downsizing is deemed permanent, the District may need to decrease the bimonthly amount of Surcharge #2 or the number of years Surcharge #2 charged to ratepayers.

The \$500,000 (approximate) grant from Regional Water Authority (RWA) and the Department of Water Resources (DWR) is an additional wrinkle affecting the Board's decision on how much of the Opus Bank loan to draw. The grant was originally awarded to the District for a Hexavalent Chromium treatment project at the Well #10 groundwater pumping facility prior to the Court ruling to invalidate the MCL. As uncertainty and timing of the Hexavalent Chromium Maximum Contaminant Level (MCL) has prolonged, while deadlines for grant use came and past, the Board of Director authorized

submittal of a request to RWA/DWR for reallocating the grant award to the Well #16 project. Just prior to the August 5th Executive Committee meeting, the District received informal concurrence from RWA and DWR authorizing the District's request to reallocate the \$500,000 grant to the Well #16 project.

If/when the state re-adopts the Hexavalent Chromium MCL, the District will need an estimated \$4.3 million (corresponding roughly to the original \$3.8 million Opus Bank loan plus the \$500,000 DWR grant) to complete both Hexavalent Chromium mitigation projects, Well #16 and Well #10 (or similar well-head treatment). The current issue is timing, and the up-to-the-minute-timing for state re-adoption of the Cr+6 MCL hints of a long, slow process.

Conclusion:

I recommend the Board authorize the District to draw enough funding from the Opus Bank loan to fund the anticipated cost for the Well#16 Groundwater Pumping Station, i.e. postpone funding the ion exchange treatment project. Such draw not to exceed a cumulative total of \$3.2 million. I further recommend the Board authorize the Chair and/or the General Manager to execute all documents necessary to carry out such authorization.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 5.3

Date

Initial Potential Meeting Date

8/19/19

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

Consider authorizing the amount to draw from the Opus Bank loan for construction of
Hexavalent Chromium mitigation project(s).

8/2/19

Staff Work Completed

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

Committee Review of Item and Staff Work

8/5/19

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

7/31/19

Formal Legal Counsel Review

N/A 7/18

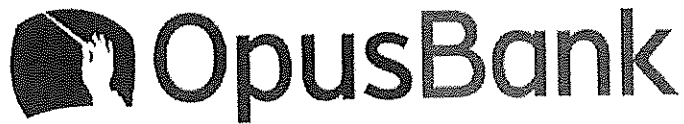
Legal Counsel should have enough time to review all potential legal matters
for correctness and legality

GM Review

8/16/19

Actual Meeting Date Set for Agenda Item

8/19/19



END OF DRAW PERIOD NOTICE

July 31, 2019

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

RE: Installment Sale Agreement dated March 1, 2018 ("Agreement") between the Rio Linda/Elverta Community Water District ("District") and Opus Bank as assignee ("Assignee")

Dear Tim,

This notice is to inform you that, pursuant to Section 3.1 of the Agreement, on **September 1, 2019** the draw period under the Agreement will come to an end. On or before such date, the District may either:

- 1) Reduce the Authorized Amount under the Agreement to the total amount advanced to such date, and any further funds shall lapse and will be not be available for advance thereafter; or
- 2) Submit a final advance request for all, or a remaining portion, of the Authorized Amount, into a restricted interest-bearing deposit account controlled by Assignee, but in the name of the District (the "Restricted Project Fund"). To the extent the final advance request is for an amount less than the remaining portion of the Authorized Amount, the amount not so advanced shall lapse and will be not be available for advance thereafter.

If the District intends to draw funds into the Restricted Project Fund for use after September 1, 2019, please contact me at your earliest convenience to establish the Restricted Project Fund account.

Amounts deposited into the Restricted Project Fund may be later withdrawn by the District to pay Project Costs after the District provides Assignee supporting evidence of Project Costs incurred, such as invoices. Requests for disbursement from the Restricted Project Fund shall be in writing, substantially in the form required by Assignee, and executed by an authorized individual of the District.

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Williams", written over a horizontal line.

Crystal Williams
VP, Portfolio Manager
Opus Bank
1410 Rocky Ridge Drive, Ste. 140
Roseville, CA 95661
(916) 945-5134

MEMORANDUM

Date: February 20, 2018

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

From: Anna Sarabian, Principal
Fieldman, Rolapp & Associates, Inc.

Re: Private Placement Funding Opportunities for Wells 10 and 16

Facts

Per our conversation on January 25, 2018, the District was seeking tax-exempt financing of approximately \$3.87 million by March 1, 2018, to be secured by Surcharge #2 revenues to fund much needed improvements to reduce the amount of hexavalent chromium by treating one of the District's existing wells and by replacing/repurposing some of its lower volume producing wells with a new well to be constructed to produce water with lower hexavalent chromium content. The District had been approached by Umpqua Bank with an offer to provide such financing to the District at an indicative rate of 4% for a 15-year term for the proposed financing. The rate was an approximate rate as of the date provided and was subject to change based on market conditions until the District was ready to lock it in.

The District engaged our services to solicit indications of interest and proposed terms from other banks active in the provision of financing for similar projects. On January 26, 2018, we reached out to the following three banks: BBVA Compass, Western Alliance, and Opus Bank. BBVA Compass quoted a rate of 3.55% as of January 26, 2018 and indicated they would need to analyze the credit in more detail to determine whether they would need a debt service reserve fund and a rate covenant or additional coverage from revenues. Based on their initial proposal, if the District could cover the proposed debt service by at least 1.75 times, then they would not require that a reserve fund be maintained. They also indicated they might require a coverage covenant from the pledged revenues which they might be able to combine with the overall net revenues of the District.

Western Alliance Bank, on the other hand, quoted a rate of 4.10% as of January 26, 2018 and a requirement of one time coverage off of the pledged revenues and an all-in 1.2 times coverage when factoring in the net revenues of the water system. As long as the District's days cash (i.e., reserves divided by operating expenditures expressed on an annual basis) were above 90 days, the bank would not require a reserve fund. The indicative rate was subject to fluctuation depending on market changes and by February 15, 2018, had increased to 4.26%.

Opus Bank quoted a fixed tax-exempt interest rate of 3.28% and provided flexible terms offering to structure the financing as a draw down in which for the first 18 months, the District would accrue and pay interest only on amounts it had drawn from the loan. In other words, if the District did not need to pay the entire project cost at once, it could draw for the amount it needed when needed and only pay interest on the drawn amount. After the first 18 months, the District could either draw the remainder of the project fund to pay for the remaining project cost, or if the project was completed and the final cost was lower than initially anticipated, the remaining amount could be used to pay down part of the loan without any penalty and that part of the loan would be cancelled. Moreover, Opus Bank agreed to lock in the interest rate through early March, insulating the District from fluctuations in the municipal market. The bank did not require a debt service reserve fund, and was amenable to one time coverage from the pledged revenues. If there were any shortfalls in the revenues, the District could use any other legally available funds to cover the debt service. In



MEMORANDUM

addition, up to 10% of the outstanding loan principal could be prepaid every year without penalty, as long as such prepayment was not through refinancing. Opus Bank was prepared to provide the financing by the District's desired date of March 1, 2018.

Given the attractive terms proposed by Opus Bank, the District gave direction to proceed with negotiations and start the preparation of the necessary legal documents. The law firm of Quint and Thimmig was engaged to represent the District and serve as bond counsel, advise on the legal structure of the financing, prepare all documents and provide a tax-exempt legal opinion.

The District does not have the power to issue bonds to finance the well projects without a long, contemplated process, including the requirement for an election. However, the District does have broad powers to acquire and dispose of property in furtherance of its operations. Per bond counsel's direction, the financing was structured as an "installment sale" whereby the District agrees to acquire the project by entering into an installment sale agreement. Under the installment sale agreement, the District will agree to make semi-annual installment payments, each payment including a principal component and an interest component, to Opus Bank which has agreed to advance funds to the District to finance the project and the District will repay such amount over time including interest at 3.28% per annum.

In order to create a document under which the District will make these payments, bond counsel prepared an installment sale agreement. It is necessary to identify a party from which the District will "purchase" the project, and the Public Property Financing Corporation of California will serve that role. The Corporation charges a very nominal fee to serve in that role payable from the costs of issuance and it has done so in many dozens of financings in California over the years. This avoids the need for the District to create and maintain its own corporation. This structure is similar to the District's 2015 private placement when the District entered into an Installment Purchase Agreement with Holman Capital Corporation.

At the time of the closing of this financing, the Corporation will assign its right to receive installment payments from the District to Opus Bank, the District will then make such payments directly to the Bank (rather than from the District to the Corporation to the Bank) and the Corporation is then effectively done with its role. There are no further obligations to the Corporation, and the District does not need to participate in any audits of the corporation.

The District is not able to employ the process used in its 2015 financing with Umpqua Bank as it relied on a special statute that can be used for an issue that is solely a refunding.

In addition to the Installment Sale Agreement, bond counsel has prepared two resolutions (one for the Corporation and the other one for the District's Board), an Assignment Agreement to be executed by the Corporation and the Bank, and a Letter Agreement for Purchase to be executed by the Bank and the District. On February 7, 2018, the Corporation adopted the Corporation Resolution and approved the execution and delivery of the Installment Sale Agreement and the Assignment Agreement.

Furthermore, in addition to the above referenced documents, bond counsel has also prepared a Resolution for the District to adopt a debt management policy, which has also been drafted and is presented as part of the Board package. The District currently does not have a formal written debt policy pertaining to the issuance of bonds and the maintenance of bond-related records.

The newly adopted Senate Bill 1029 ("SB 1029"), which became effective January 1, 2017, amended Government Code Section 8855, pursuant to which a Report of Proposed Debt Issuance must be filed with the California Debt and Investment Advisory Commission ("CDIAC") before the sale of any bond issue.



MEMORANDUM

Among other things, SB 1029 effectively requires a local government agency to adopt a formal debt policy before issuing bonds. SB 1029 imposes a new requirement that each Report of Proposed Debt Issuance must include the issuer's certification that it has adopted a local debt policy and that the contemplated bond issue is consistent with such adopted policy.

SB 1029 provides that the local debt policy must include the following:

1. The purpose for which the debt proceeds may be used;
2. The types of debt that may be issued;
3. The relationship of the debt to, and integration with the issuer's capital improvement program or budget, if applicable;
4. Policy goals related to the issuer's planning goals and objectives; and,
5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The attached Debt Policy has been drafted by bond counsel in order to comply with the requirements of SB 1029. It sets forth formal written guidelines for the District's bond issuances and the administration of bond records, reporting obligations and expenditures of bond proceeds.

Conclusion

We believe that Opus Bank's proposal provides the most beneficial and flexible terms for the District and results in the lowest borrowing cost compared to the other bank proposals, including the proposal from Umpqua Bank. The proposed financing is structured as a standard California installment sale agreement, with a final maturity on April 1, 2033.

We recommend that the Board adopt the two Board Resolutions and approve the Installment Sale Agreement, the Assignment Agreement, and the Letter Agreement for Purchase. Upon approval, the District's General Manager and the President of the Board will execute the necessary closing certificates. It is anticipated that the financing will be closed and funded on March 1, 2018.

Government Code Section 5852.1 requires that the Board obtain from an underwriter, financial advisor or private lender and disclose, prior to the authorization of the issuance of bonds with a term greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds. The required good faith estimates are included as Exhibit 1 to the Board package.

To: Tim Shaw, *Rio Linda / Elverta Community Water District*
 Deborah Denning, *Rio Linda / Elverta Community Water District*
 Barbara A. Brenner, *Churchwell White LLP*

From: Anna Sarabian, *Fieldman, Rolapp & Associates, Inc.*
 Tom Johnsen, *Fieldman, Rolapp & Associates, Inc.*
 Branden Kfoury, *Fieldman, Rolapp & Associates, Inc.*

CC: Brian D. Quint, Esq., *Quint & Thimmig LLP*
 Dmitry Semenov, *Opus Bank*
 Crystal Williams, *Opus Bank*
 Rudy S. Salo, *Nixon Peabody LLP*
 Bill Morton, *Public Property Financing Corporation*
 Stefan Morton, *Public Property Financing Corporation*

Re: \$3,870,000
 Rio Linda/Elverta Community Water District
 2018 Installment Sale Agreement

Date: February 28, 2018

I. General

This document provides all of the pricing data related to the above-captioned 2018 Installment Sale Agreement (the “2018 Agreement”) necessary to complete the closing documents circulated by Quint & Thimmig LLP (the “Bond Counsel”), prior to the closing date scheduled for March 1, 2018 (the “Closing”), and to ensure the successful closing. Please refer all questions to Anna Sarabian at (949) 660-7308.

II. Sources and Uses of Funds

The table below summarizes the Sources and Uses of Funds for the 2018 Agreement, assuming all amounts are disbursed.

Sources and Uses	
<i>Sources:</i>	
Principal Amount	\$3,870,000.00
Total Sources	\$3,870,000.00
<i>Uses:</i>	
Project Fund	\$3,795,000.00
Cost of Issuance	75,000.00
Total Uses	\$3,870,000.00

III. Estimated Costs of Issuance

The following summarizes the estimated costs of issuance. The actual amount to be paid will be based on final approval by the Rio Linda/Elverta Community Water District (the “District”). The Purchaser, as defined herein, is requested at Closing to pay certain of the Costs of Issuance for which invoices have been received, withholding \$1,000 as its processing fee.

Services	Interested Party	Amount
Bond Counsel	Quint & Thimmig LLC	\$25,000.00
Municipal Advisor	Fieldman, Rolapp & Associates, Inc.	30,000.00
Bank Counsel	Nixon Peabody	10,000.00
Corporation	Public Property Financing Corporation	3,500.00
Contingency ⁽¹⁾	Rio Linda/Elverta Community Water District	5,500.00
Total Cost of Issuance		\$74,000.00

(1) Estimated contingency amount to be used to pay the District's costs of issuance, including payment of the CDIAC fee.

IV. Basis for Yield Calculation

The table below summarizes certain interest rate and other pricing statistics for the 2018 Agreement.

Pricing Information	
Closing Date	3/1/2018
Final Maturity	4/1/2033
Arbitrage Yield	3.279640%
True Interest Cost (TIC)	3.279640%
All-In TIC	3.556306%
Average Coupon	3.28%
Average Life (years)	8.452

V. Required Wire Transfers

1. Payment for the 2018 Agreement

On March 1, 2018, Opus Bank, (the "Purchaser"), will wire the amount of \$20,500 to the District. This amount is calculated based on the initial draw of \$15,000 under the 2018 agreement, plus the costs of issuance amounts to be paid by the District.

Available Funds	
Project Costs	\$15,000.00
Cost of Issuance	5,500.00
Total Available Funds	\$20,500.00

Wire instructions for the delivery of funds to the District are as follows:

Wire Instructions	
Bank:	California Bank & Trust
Routing No.	121002042
Account No:	5790330566
Account Name:	Rio Linda Elverta Comm Water District – Capital Improvement Account
Attention:	Doris Manning – Direct Phone: (916) 341-3780

2. Payment of the Costs of Issuance

On March 1, 2018, the Purchaser will wire funds associated with the Costs of Issuance to certain parties shown in the table above in Section III "Estimated Costs of Issuance," which have provided invoices, in the aggregate amount of \$74,000. The purchaser will retain \$1,000 as its processing fee. Wiring instructions have been made available separately to the Purchaser.

Attachment A – Bond Financing Summary

\$3,870,000

**Rio Linda/Elverta Community Water District
2018 Installment Sale Agreement**

- ✓ Sources & Uses of Funds
- ✓ Bond Summary Statistics
- ✓ Bond Pricing
- ✓ Bond Debt Service
- ✓ Form 8038 Statistics

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Private Placement with Opus Bank
Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

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Bond Summary Statistics	2
Bond Pricing	3
Bond Debt Service	4
Form 8038 Statistics	6

SOURCES AND USES OF FUNDS

Private Placement with Opus Bank
Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Dated Date 03/01/2018
Delivery Date 03/01/2018

Sources:

Bond Proceeds:	
Par Amount	3,870,000.00
	<hr/>
	3,870,000.00

Uses:

Project Fund Deposits:	
Project Fund	3,795,000.00
Delivery Date Expenses:	
Cost of Issuance	75,000.00
	<hr/>
	3,870,000.00

Note: Project Fund includes bond rounding amounts

BOND SUMMARY STATISTICS

Private Placement with Opus Bank
 Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Dated Date	03/01/2018
Delivery Date	03/01/2018
Last Maturity	04/01/2033
Arbitrage Yield	3.279640%
True Interest Cost (TIC)	3.279640%
Net Interest Cost (NIC)	3.280000%
All-In TIC	3.556306%
Average Coupon	3.280000%
Average Life (years)	8.452
Duration of Issue (years)	7.220
Par Amount	3,870,000.00
Bond Proceeds	3,870,000.00
Total Interest	1,072,888.00
Net Interest	1,072,888.00
Total Debt Service	4,942,888.00
Maximum Annual Debt Service	332,068.00
Average Annual Debt Service	327,705.28
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Bond 2032	3,870,000.00	100.000	3.280%	8.452	4,605.30
	3,870,000.00			8.452	4,605.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,870,000.00	3,870,000.00	3,870,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-75,000.00	
Target Value	3,870,000.00	3,795,000.00	3,870,000.00
Target Date	03/01/2018	03/01/2018	03/01/2018
Yield	3.279640%	3.556306%	3.279640%

BOND PRICING

Private Placement with Opus Bank
 Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond 2032:					
	10/01/2018	90,000	3.280%	3.280%	100.000
	04/01/2019	105,000	3.280%	3.280%	100.000
	10/01/2019	105,000	3.280%	3.280%	100.000
	04/01/2020	105,000	3.280%	3.280%	100.000
	10/01/2020	110,000	3.280%	3.280%	100.000
	04/01/2021	110,000	3.280%	3.280%	100.000
	10/01/2021	110,000	3.280%	3.280%	100.000
	04/01/2022	115,000	3.280%	3.280%	100.000
	10/01/2022	115,000	3.280%	3.280%	100.000
	04/01/2023	115,000	3.280%	3.280%	100.000
	10/01/2023	120,000	3.280%	3.280%	100.000
	04/01/2024	120,000	3.280%	3.280%	100.000
	10/01/2024	125,000	3.280%	3.280%	100.000
	04/01/2025	125,000	3.280%	3.280%	100.000
	10/01/2025	125,000	3.280%	3.280%	100.000
	04/01/2026	130,000	3.280%	3.280%	100.000
	10/01/2026	130,000	3.280%	3.280%	100.000
	04/01/2027	135,000	3.280%	3.280%	100.000
	10/01/2027	135,000	3.280%	3.280%	100.000
	04/01/2028	140,000	3.280%	3.280%	100.000
	10/01/2028	140,000	3.280%	3.280%	100.000
	04/01/2029	145,000	3.280%	3.280%	100.000
	10/01/2029	145,000	3.280%	3.280%	100.000
	04/01/2030	145,000	3.280%	3.280%	100.000
	10/01/2030	150,000	3.280%	3.280%	100.000
	04/01/2031	150,000	3.280%	3.280%	100.000
	10/01/2031	155,000	3.280%	3.280%	100.000
	04/01/2032	155,000	3.280%	3.280%	100.000
	10/01/2032	160,000	3.280%	3.280%	100.000
	04/01/2033	160,000	3.280%	3.280%	100.000
		3,870,000			

Dated Date	03/01/2018	
Delivery Date	03/01/2018	
First Coupon	10/01/2018	
Par Amount	3,870,000.00	
Original Issue Discount		
Production	3,870,000.00	100.000000%
Underwriter's Discount		
Purchase Price	3,870,000.00	100.000000%
Accrued Interest		
Net Proceeds	3,870,000.00	

BOND DEBT SERVICE

Private Placement with Opus Bank
Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2019	195,000	3.280%	136,038	331,038
04/01/2020	210,000	3.280%	118,818	328,818
04/01/2021	220,000	3.280%	111,848	331,848
04/01/2022	225,000	3.280%	104,632	329,632
04/01/2023	230,000	3.280%	97,170	327,170
04/01/2024	240,000	3.280%	89,544	329,544
04/01/2025	250,000	3.280%	81,590	331,590
04/01/2026	255,000	3.280%	73,390	328,390
04/01/2027	265,000	3.280%	64,944	329,944
04/01/2028	275,000	3.280%	56,170	331,170
04/01/2029	285,000	3.280%	47,068	332,068
04/01/2030	290,000	3.280%	37,638	327,638
04/01/2031	300,000	3.280%	28,044	328,044
04/01/2032	310,000	3.280%	18,122	328,122
04/01/2033	320,000	3.280%	7,872	327,872
	3,870,000		1,072,888	4,942,888

BOND DEBT SERVICE

Private Placement with Opus Bank
Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2018	90,000	3.280%	74,046	164,046	
04/01/2019	105,000	3.280%	61,992	166,992	331,038
10/01/2019	105,000	3.280%	60,270	165,270	
04/01/2020	105,000	3.280%	58,548	163,548	328,818
10/01/2020	110,000	3.280%	56,826	166,826	
04/01/2021	110,000	3.280%	55,022	165,022	331,848
10/01/2021	110,000	3.280%	53,218	163,218	
04/01/2022	115,000	3.280%	51,414	166,414	329,632
10/01/2022	115,000	3.280%	49,528	164,528	
04/01/2023	115,000	3.280%	47,642	162,642	327,170
10/01/2023	120,000	3.280%	45,756	165,756	
04/01/2024	120,000	3.280%	43,788	163,788	329,544
10/01/2024	125,000	3.280%	41,820	166,820	
04/01/2025	125,000	3.280%	39,770	164,770	331,590
10/01/2025	125,000	3.280%	37,720	162,720	
04/01/2026	130,000	3.280%	35,670	165,670	328,390
10/01/2026	130,000	3.280%	33,538	163,538	
04/01/2027	135,000	3.280%	31,406	166,406	329,944
10/01/2027	135,000	3.280%	29,192	164,192	
04/01/2028	140,000	3.280%	26,978	166,978	331,170
10/01/2028	140,000	3.280%	24,682	164,682	
04/01/2029	145,000	3.280%	22,386	167,386	332,068
10/01/2029	145,000	3.280%	20,008	165,008	
04/01/2030	145,000	3.280%	17,630	162,630	327,638
10/01/2030	150,000	3.280%	15,252	165,252	
04/01/2031	150,000	3.280%	12,792	162,792	328,044
10/01/2031	155,000	3.280%	10,332	165,332	
04/01/2032	155,000	3.280%	7,790	162,790	328,122
10/01/2032	160,000	3.280%	5,248	165,248	
04/01/2033	160,000	3.280%	2,624	162,624	327,872
	3,870,000		1,072,888	4,942,888	4,942,888

FORM 8038 STATISTICS

Private Placement with Opus Bank
Final Amortization Schedule Based on Opus Bank Interest Rate of 3.28%

Dated Date 03/01/2018
Delivery Date 03/01/2018

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Term Bond 2032:						
	10/01/2018	90,000.00	3.280%	100.000	90,000.00	90,000.00
	04/01/2019	105,000.00	3.280%	100.000	105,000.00	105,000.00
	10/01/2019	105,000.00	3.280%	100.000	105,000.00	105,000.00
	04/01/2020	105,000.00	3.280%	100.000	105,000.00	105,000.00
	10/01/2020	110,000.00	3.280%	100.000	110,000.00	110,000.00
	04/01/2021	110,000.00	3.280%	100.000	110,000.00	110,000.00
	10/01/2021	110,000.00	3.280%	100.000	110,000.00	110,000.00
	04/01/2022	115,000.00	3.280%	100.000	115,000.00	115,000.00
	10/01/2022	115,000.00	3.280%	100.000	115,000.00	115,000.00
	04/01/2023	115,000.00	3.280%	100.000	115,000.00	115,000.00
	10/01/2023	120,000.00	3.280%	100.000	120,000.00	120,000.00
	04/01/2024	120,000.00	3.280%	100.000	120,000.00	120,000.00
	10/01/2024	125,000.00	3.280%	100.000	125,000.00	125,000.00
	04/01/2025	125,000.00	3.280%	100.000	125,000.00	125,000.00
	10/01/2025	125,000.00	3.280%	100.000	125,000.00	125,000.00
	04/01/2026	130,000.00	3.280%	100.000	130,000.00	130,000.00
	10/01/2026	130,000.00	3.280%	100.000	130,000.00	130,000.00
	04/01/2027	135,000.00	3.280%	100.000	135,000.00	135,000.00
	10/01/2027	135,000.00	3.280%	100.000	135,000.00	135,000.00
	04/01/2028	140,000.00	3.280%	100.000	140,000.00	140,000.00
	10/01/2028	140,000.00	3.280%	100.000	140,000.00	140,000.00
	04/01/2029	145,000.00	3.280%	100.000	145,000.00	145,000.00
	10/01/2029	145,000.00	3.280%	100.000	145,000.00	145,000.00
	04/01/2030	145,000.00	3.280%	100.000	145,000.00	145,000.00
	10/01/2030	150,000.00	3.280%	100.000	150,000.00	150,000.00
	04/01/2031	150,000.00	3.280%	100.000	150,000.00	150,000.00
	10/01/2031	155,000.00	3.280%	100.000	155,000.00	155,000.00
	04/01/2032	155,000.00	3.280%	100.000	155,000.00	155,000.00
	10/01/2032	160,000.00	3.280%	100.000	160,000.00	160,000.00
	04/01/2033	160,000.00	3.280%	100.000	160,000.00	160,000.00
		3,870,000.00			3,870,000.00	3,870,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2033	3.280%	160,000.00	160,000.00		
Entire Issue			3,870,000.00	3,870,000.00	8.4522	3.2796%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	75,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

Attachment B – Invoices

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361

INVOICE

DATE: March 1, 2018

TO: Rio Linda/Elverta Community Water District

INVOICE ITEMIZATION

RE: Seller Fee
2018 Installment Sale Financing

TOTAL AMOUNT DUE: \$3,500.00

WIRE INSTRUCTIONS:

City National Bank
ABA #122016066
2655 Townsgate Road
Westlake Village, CA 91361
Acct. Name: Public Property Financing Corporation of California
Acct. No.: #052135532

TAX ID NUMBER: 33-0463530

Quint & Thimmig LLP

Attorneys at Law

900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726

Phone: 415/925-4200
Fax: 415/925-4201

March 1, 2018

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

Re: Up to \$3,870,000 Installment Sale Agreement, dated as of March 1, 2018, by and between the Public Property Financing Corporation of California and the Rio Linda/Elverta Community Water District, assigned to Opus Bank, a California commercial bank

INVOICE

For Legal Services Rendered as Special Counsel, inclusive of all out of pocket expenses \$25,000.00

Please remit to:

By mail:
Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726

By wire:
First Republic Bank
111 Pine Street
San Francisco, CA
ABA No. 321081669
Account No. 80001849224
For Credit to: Quint & Thimmig LLP

Our Tax I.D. Number is 94-3263256



Agenda Item 5.3
Fieldman, Rolapp & Associates
19900 MacArthur Blvd., Suite 1100
Irvine, CA 92612
Tel: (949) 660-7300 Fax: (949) 474-8773
www.fieldman.com

To: Tim Shaw
General Manager
Rio Linda / El Verta Community Water District
730 "L" St.
Rio Linda, CA 95673

INVOICE

Date: 2/26/2018
Invoice #: 23700
PO#:

(RIO LINDA CWD:18118) - Managed by (AVS)
For professional services rendered pursuant to Agreement between Rio Linda El Verta Community Water District and Fieldman, Rolapp & Associates.

For Professional Services Rendered:

2018 Private Placement

Total Fees and Expenses Due: \$30,000.00

Invoice Note(s):

WIRE TRANSFER INSTRUCTIONS

Please Wire Funds To:

Pacific Western Bank
17901 Von Karman Ave., Ste 450
Irvine, CA 92614
Wire# 122238200
Account# 020110956
Account Name: Fieldman, Rolapp & Associates, Inc.

cc: Brian Quint - Quint & Thimmig LLP
Blythe Fleet - Quint & Thimmig LLP
Dmitry Semenov - Opus Bank

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

March 1, 2018

Re: Up to \$3,870,000 Installment Sale Agreement, dated as of March 1, 2018, by and between the Public Property Financing Corporation of California and the Rio Linda/Elverta Community Water District, assigned to Opus Bank, a California commercial bank

INVOICE

For project costs	\$15,000.00
For costs of issuance, including CDIAC fee	<u>5,500.00</u>
Total	<u>\$20,500.00</u>

Please remit to:

California Bank & Trust
ABA # 121002042
Account # 5790330566
Acct Name: Rio Linda/Elverta Community WD

Our Tax I.D. Number is 68-0107697



FEDERAL I.D. NO. 16-0764720

NIXON PEABODY LLP
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

One California Plaza
300 South Grand Avenue
Suite 4100
Los Angeles, CA 90071-3151
TEL: (213) 629-6000
FAX: (213) 629-6001

Opus Bank
Dmitry Semenov
915 Highland Pointe Drive
Suite 250
Roseville, CA 95678

February 27, 2018
Invoice No. 9960883
Account: 077052
Terms: Due Upon Receipt

MATTER NO.: 000002 DIRECT LENDING MATTERS

For services rendered as Bank Counsel to Opus Bank in connection with a loan to the Rio Linda/Elverta Community Water District as evidenced by the Installment Purchase Agreement.

TOTAL FOR STATEMENT: \$10,000.00

****Nixon Peabody LLP Remittance Information ****
FEDERAL I.D. NO. 16-0764720

Client: 077052	Opus Bank
	Dmitry Semenov
	915 Highland Pointe Drive
	Suite 250
	Roseville, CA 95678
Matter:	000002
Invoice Number:	9960883
Date of Invoice:	02/27/18
Terms:	Due Upon Receipt
Invoice Amount:	\$ 10,000.00

Nixon Peabody LLP is pleased to offer three payment options: check, electronic funds transfer, and credit card. **To ensure prompt application of your payment, please reference the invoice number with your payment by returning this page with your check and credit card payments, or by including the invoice number in the addenda information of your electronic funds transfer.** Questions may be directed to 617-345-1100, fax no. 585-672-6778, or to ClientPayments@nixonpeabody.com. Thank you.

Check - mail to: NIXON PEABODY LLP
PO BOX 28012
NEW YORK, NY 10087-8012

Invoice(s) Paid: _____

Electronic Payment:
(Wire/ACH)

Bank Name:	JPMorgan Chase Bank, Rochester, NY 14643
ABA Routing #:	021000021
Account Name:	Nixon Peabody LLP
Account #:	938761475
SWIFT Code:	CHASUS33
Invoice(s) Paid:	<i>To be included in electronic payment's addenda information.</i>

Credit Card - mail to: NIXON PEABODY LLP
ATTN: CLIENT PAYMENTS
100 SUMMER STREET
BOSTON, MA 02110-2131
Phone: (617) 345-1100
Fax: (585) 672-6778

Invoice(s) Paid: _____

Total Amount Of Payment: \$ _____

• VISA • Master Card • Discover • American Express

Card #: _____

Expiration Date: ____ - ____ Security Code: ____

Signature: _____

INSTALLMENT SALE AGREEMENT

Dated as of March 1, 2018

by and between

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Seller

and the

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT, as Purchaser

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- EXHIBIT C: FORM OF ADVANCE REQUEST

INSTALLMENT SALE AGREEMENT

This INSTALLMENT SALE AGREEMENT, is dated as of March 1, 2018, is by and between the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a joint powers entity duly organized and existing under the laws of the State of California, including its successors and assigns, as seller (the "Corporation"), and the RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT, a county water district duly organized and existing under the laws of the State of California, as purchaser (the "District").

WITNESSETH:

WHEREAS, the Corporation has determined to (a) reduce the amount of hexavalent chromium by treating one of its existing wells and (b) replace/repurpose some of its lower volume producing wells with a new well to be constructed to produce water with lower hexavalent chromium content (collectively, the "Project");

WHEREAS, the Corporation proposes to sell the Project to the District pursuant to this Installment Sale Agreement and to assign all of its rights, title and interest in, to and under this Installment Sale Agreement, including its right to receive installment payments under this Installment Sale Agreement (the "Installment Payments"), its right to enforce payment of the Installment Payments and otherwise to enforce its interest and rights under this Installment Sale Agreement in the event of a default hereunder by the District, to Opus Bank, a California commercial bank, including its successors and assigns (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of March 1, 2018, by and between the Corporation and the Assignee;

WHEREAS, the District and the Corporation have agreed to enter into this Installment Sale Agreement providing for Installment Payments with an aggregate principal component in the amount of up to \$3,870,000 for the purpose of implementing the financing of the Project; and

WHEREAS, the Installment Payments will be paid from and secured by the revenues derived from Surcharge #2 (hereinafter defined) and, if required, any and all other legally available funds of the District;

WHEREAS, the Corporation and the District have duly authorized the execution and delivery of this Installment Sale Agreement;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Installment Sale Agreement.

"Additional Payments" means the payments so designated and required to be paid by the District pursuant to Sections 4.4 of this Installment Sale Agreement.

"Additional Revenues" means either or both of the following items which may be added to the Surcharge #2 revenues for the purpose of applying the restriction contained in the parity test contained in this Installment Sale Agreement:

(a) An allowance for Surcharge #2 revenues from any parcels that have passed the final home inspection, have received a certificate of occupancy and have commenced payments of water bills but which, during all or any part of such Fiscal Year, were not in service, in an amount equal to 100% of the estimated additional average annual Surcharge #2 revenues to be derived from such parcels, all as shown by the certificate or opinion of a Financial Consultant employed by the District.

(b) An allowance for any increase in Surcharge #2 which has been approved prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Surcharge #2 revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a Financial Consultant employed by the District.

"Assignee" means (a) initially, Opus Bank, a California commercial bank, as assignee of all rights, title and interests of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation hereunder are assigned, including subsequent assignees of the Assignee.

"Assignment Agreement" means the Assignment Agreement, dated as of March 1, 2018, between the Corporation, as assignor of its rights under this Installment Sale Agreement, and the Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

"Corporation" means Public Property Financing Corporation of California, a nonprofit public benefit corporation organized and existing under the laws of the State, and its successors and assigns.

"Authority Representative" means the Chair, the Executive Director, the Treasurer, or the designee of any such official, or any other person authorized by resolution to act on behalf of the Corporation under or with respect to the Installment Sale Agreement and the Assignment Agreement.

"Board" means the Board of Directors of the District.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

"Closing Date" means the date of execution and delivery of this Installment Sale Agreement by the parties hereto, being March 1, 2018.

"Default Rate" means the rate of 6.28% per annum.

"District" means the Rio Linda/Elverta Community Water District, a county water district organized and existing under the laws of the State.

"District Representative" means the President of the Board or the General Manager, or the designee of either such official, or any other person authorized by resolution to act on behalf of the District under or with respect to the Installment Sale Agreement.

"Event of Default" means any of the events of default as defined in Section 8.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Financial Consultant" means any consultant or firm of such consultants appointed by the District and who, or each of whom: (a) is judged by the District to have experience in matters relating to the financing of water systems; (b) is in fact independent and not under domination of the District; (c) does not have any substantial interest, direct or indirect, with the District; and (d) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

"Fiscal Year" means each twelve-month period during the Term of this Installment Sale Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

"Independent Accountant" means any certified public accountant or firm of certified public accountants appointed and paid by the District, and who, or each of whom (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, in the District; and (c) is not connected with the District as an officer or employee of the District but who may be regularly retained to make annual or other audits of the books of or reports to the District.

"Installment Sale Agreement" means this Installment Sale Agreement dated as of March 1, 2018, between the Corporation and the District, as hereafter amended or supplemented.

"Installment Payment Date" means April 1 and October 1 in each year, regardless of whether such days are Business Days, commencing October 1, 2018, and continuing to and including the date on which the Installment Payments are paid in full.

"Installment Payments" means all payments required to be paid by the District under Section 4.4, including any prepayment thereof under Sections 9.2 or 9.3.

"Material Adverse Effect" means an event or occurrence which adversely affects in a material manner (a) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Sale Agreement or to meet or perform its obligations under this Installment Sale Agreement on a timely basis, (b) the validity or enforceability of this Installment Sale Agreement, or (c) the exclusion of the interest component of the Installment

Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

"Material Litigation" means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seek to restrain or enjoin any of the transactions contemplated by this Installment Sale Agreement, or (iii) may adversely affect (A) the exclusion of the interest component of the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Installment Sale Agreement.

"Parity Debt" means all bonds, notes or other obligations of the District payable from and secured by a pledge of and lien upon any of Surcharge #2 issued or incurred on a parity with this Installment Sale Agreement pursuant to Section 5.9.

"Parity Debt Instrument" means, with respect to any Parity Debt, the agreement, indenture of trust, resolution or other instrument authorizing the issuance or incurrence of such Parity Debt.

"Permitted Encumbrances" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid; (b) this Installment Sale Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; and (d) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Project for its intended purposes.

"Project" means the project more particularly described in Exhibit B to this Installment Sale Agreement.

"Special Counsel" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"State" means the State of California.

"Surcharge #2" means the surcharge imposed by the District for the Project pursuant to its Ordinance No. 2016-02 following the legally required notice and hearing procedures, currently collected at the rate of \$7.90 for each water connection, increasing to \$15.80 for each water connection on July 20, 2018.

"Surcharge #2 Fund" means the fund maintained by the District into which collected Surcharge #2 revenues are deposited.

"System" means the District's water system, including properties and assets, real and personal, tangible and intangible, of the District now or hereafter existing, used or pertaining to the production, storage, transmission, treatment, disposition and sale of water, including all additions, extensions, expansions, improvements and betterments thereto, and equippings thereof; provided, however, that to the extent the District is not the sole owner of an asset or property, only the District's ownership interest in such asset or property shall be considered to be part of the system.

"*Taxable Date*" means the date when a final determination is made by the Internal Revenue Service that the interest component of the Installment Payments is not excludible from the gross income of the Assignee for federal income tax purposes caused by the actions or omissions of the District.

"*Taxable Rate*" means the rate of 4.52% per annum.

"*Tax Code*" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

"*Term of this Installment Sale Agreement*" or "*Term*" means the time during which this Installment Sale Agreement is in effect, as provided in Section 4.2.

"*Written Certificate,*" "*Written Request*" and "*Written Requisition*" of the Corporation or the District mean, respectively, a written certificate, request or requisition signed in the name of the Corporation by its Authority Representative or the District by its District Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Installment Sale Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Installment Sale Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

COVENANTS AND REPRESENTATIONS

Section 2.1. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation as of the date of the execution and delivery of this Installment Sale Agreement:

(a) *Due Organization and Existence.* The District is a county water district, duly organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into this Installment Sale Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, including the Project, and by proper action the District has duly authorized the execution and delivery by the District of this Installment Sale Agreement.

(b) *Due Execution.* The representative of the District executing this Installment Sale Agreement has been fully authorized to execute the same by a resolution duly adopted by the Board.

(c) *Valid, Binding and Enforceable Obligation.* This Installment Sale Agreement has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms.

(d) *No Conflicts.* The execution and delivery of this Installment Sale Agreement, the consummation of the transactions therein and herein contemplated, including the Project, and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the financial condition, assets, properties or operations of the District.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement, or upon the ability of the District to make Installment Payments hereunder, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any

federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement, or the financial condition, assets, properties or operations of the District.

(g) *Sufficient Funds.* The District reasonably believes that sufficient funds can be obtained to make all Installment Payments and all other amounts required to be paid pursuant to this Installment Sale Agreement, provided that to the extent Surcharge #2 is insufficient to make each Installment Payment when due, the District agrees to make such payment from any available moneys.

(h) *No Defaults.* The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any of its bonds, notes, or other debt obligations.

(j) *Use of the Project.* During the term of this Installment Sale Agreement, the Project will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(k) *Change in Financial Condition.* The District has experienced no material change in its financial condition since June 30, 2017.

(l) *Surcharge #2 Fund.* The District has heretofore established the Surcharge #2 Fund into which the District deposits and will continue to deposit all collections of Surcharge #2.

(m) *No Outstanding Obligations.* As of the Closing Date, there are no outstanding bonds, notes, loans, leases, installment sale agreements or other obligations which have any security interest in or claim upon the Surcharge #2, which security interest or claim is superior to or on a parity with the Installment Payments.

(n) *Financial Statements.* The District's audited financial statements for the period ended June 30, 2017, present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Assignee, there has been no change in the financial condition of the District since June 30, 2017, that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Installment Purchase Agreement.

(o) *Information.* All information, reports and other papers and data furnished by the District to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Installment Purchase Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the

Assignee in connection with the negotiation, preparation or execution of this Installment Purchase Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(p) *Role of Assignee.* The District acknowledges that (i) the Assignee is acting solely for its own account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor, (ii) the Assignee has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District with respect to this Installment Sale Agreement, (iii) the Assignee has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, if any, or the correctness of any legal interpretation made by counsel to any other party, if any, with respect to any such matters, and (iv) the District has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing effectuated through this Installment Sale Agreement from its financial, legal and other advisors (and not from the Assignee nor the Assignee's legal counsel) to the extent that the District desired to obtain such advice.

(q) *Role of Corporation.* The District acknowledges that the Corporation is acting solely as conduit seller hereunder and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor.

(r) *No Sovereign Immunity.* The District hereby represents that it does not possess and the District agrees that it will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to this Installment Sale Agreement.

Section 2.2. Covenants and Representations of the Corporation. The Corporation makes the following covenants and representations to the District that as of the Closing Date:

(a) *Due Organization and Existence.* The Corporation is a nonprofit, public benefit corporation, duly organized and existing under the laws of the State, has full legal right, power and authority to enter into this Installment Sale Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery by the Corporation of this Installment Sale Agreement and the Assignment Agreement.

(b) *Due Execution.* The representative of the Corporation executing this Installment Sale Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(c) *Valid, Binding and Enforceable Obligations.* This Installment Sale Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of this Installment Sale Agreement and the Assignment Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or

other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Installment Sale Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Installment Sale Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Sale Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

ARTICLE III

DRAW DOWN AGREEMENT; DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Draw Down Agreement.

(a) This Installment Sale Agreement is a draw down agreement. Amounts advanced to the District shall be applied to pay the costs of the Project. The total principal amount of this Installment Sale Agreement is hereby expressly limited to \$3,870,000 (the "Authorized Amount"), provided that the principal component of the Installment Payments at any time shall include only those portions of the principal component of Installment Payments that have been advanced from time to time by the Assignee. The Assignee shall fund the purchase price of the principal component of the Installment Payments as requested by the District from time to time pursuant to the submittal by the District of an advance request, but not more frequently than once a month, substantially in the form attached hereto as Exhibit C, approved by the Assignee. Such funded amount shall be transferred to the District, (i) for deposit in an account designated by the District for the payment of costs of the Project, or (ii) to the District in reimbursement of previously expended costs of the Project. Amounts required to pay costs of the Project shall be paid by the District. Following each such draw-down, the aggregate principal component of Installment Payments shall be deemed outstanding and such amount so drawn down shall begin to accrue interest. The first draw-down, on the Closing Date, shall be the amount set forth in Section 3.2. If the total amount drawn is insufficient for the District to complete the acquisition of the Project, the District shall advance its own funds, ~~but only from the Surcharge #2 Fund~~, to assure such completion. Any draws shall reduce the Authorized Amount and no amounts drawn may be re-drawn for any purpose.

(b) On September 1, 2019, any portion of the Authorized Amount not yet advanced by the Assignee to the District, may, at the option of the District, (i) reduce the Authorized Amount to the total amount advanced to such date, at which time the amount advanced to date shall be the total principal amount of this Installment Sale Agreement, or (ii) the District shall submit a final advance request for all or a remaining portion of the Authorized Amount, and, from such date, interest shall apply to the final portion of the Authorized Amount as determined by the District. Such final draw will be funded into an Assignee-controlled interest bearing account in the name of the District and the funds will be released to the District as needed for future Project costs. To the extent the District's final advance request is for an amount less than the remaining portion of the Authorized Amount, the amount not so advanced shall lapse and the total amount advanced, including the amount of such final advance, shall be the total principal amount of this Installment Sale Agreement. The lapse amount shall reduce the principal component of Installment Payments in inverse order.

Section 3.2. Deposit of and Application of Funds. On the Closing Date, of the amount paid by the Assignee (~~\$90,000.00~~), representing the initial request and advance of the principal amount of this Installment Sale Agreement), \$15,000.00 shall be remitted by the Assignee to the District to pay certain costs incurred with respect to the Project, and \$75,000.00 shall be remitted by the Assignee to various payees to pay financing costs of the transaction. Interest on such initial advance shall accrue from the Closing Date.

ARTICLE IV

SALE OF IMPROVEMENTS; INSTALLMENT PAYMENT

Section 4.1. Sale. The Corporation hereby designates the District as its agent for the acquisition of the Project. The Corporation hereby agrees to sell the Project to the District, and the District hereby agrees to purchase the Project from the Corporation, upon the terms and conditions set forth in this Installment Sale Agreement.

Section 4.2. Term. The Term of this Installment Sale Agreement shall commence on the Closing Date, and shall end on the earlier of (i) April 1, 2033, or (ii) the date on which the District shall have paid all of the Installment Payments and all other amounts due and payable hereunder. The provisions of this Section 4.2 are subject in all respects to any other provisions of this Installment Sale Agreement relating to the termination hereof with respect to the Project or any portion thereof.

Section 4.3. Title. Title to each component of the Project shall be deemed vested in the District on the date acquired.

Section 4.4. Installment Payments.

(a) *Obligation to Pay*. The District agrees to pay to the Corporation, its successors and assigns, as the purchase price for the Project, the Installment Payments, consisting of components of principal and interest, on the Installment Payment Dates and in the amounts specified in Exhibit A attached hereto, except such amounts shall be reduced by moneys on deposit in the Installment Payment Fund and credited to the payment of Installment Payments next due. The Installment Payments shall be payable solely from Surcharge #2 and any and all other legally available funds of the District, as hereinafter provided. The first Installment Payment shall be due on October 1, 2018. The interest components of the Installment Payments have been calculated based on an interest rate of 3.28% per annum, on the basis of a 360-day year of twelve 30-day months. The District understands that the Assignee will send an invoice to the District in advance of each Installment Payment Date. Beginning on the Taxable Date, if applicable, the interest component of the Installment Payments shall be equal to the Taxable Rate, on the basis of a 360-day year of twelve 30-day months.

(b) *Reduction Upon Partial Prepayment*. In the event the District prepays less than all of the remaining principal components of the Installment Payments pursuant to Section 8.2 of this Installment Sale Agreement, the amount of such prepayment shall be applied to reduce the principal component of the subsequent remaining Installment Payments in inverse order of payment date.

(c) *Rate on Overdue Payments*. In the event the District should fail to make any of the payments on the dates required in this Section 4.4, the delinquent payment in default shall continue as an obligation of the District until the delinquent amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, ~~from the date of default to the date of~~ until such payment is made, at the Default Rate.

(d) *Assignment Agreement*. The District understands and agrees that all Installment Payments have been assigned by the Corporation to the Assignee under the Assignment Agreement executed concurrently herewith, and the District hereby consents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Assignee (or to its assignees as directed pursuant to Section 6.4 of this Installment Sale

Agreement) all payments payable by the District under this Section 4.4 and all amounts payable by the District under Article IX. Installment Payments shall be paid to the Assignee as follows:

Payments by Mail:

Opus Bank
Loan Servicing Department
200 West Commonwealth Avenue
Fullerton, CA 92832
Re: Rio Linda/Elverta Community Water District
Loan Number: 530000008489

Payments by Wire:

Opus Bank
ABA Number: 122239270
Account Number: 48659312
Re: Rio Linda/Elverta Community Water District
Loan Number: 530000008489

Section 4.5. Special Obligation of the District. The District's obligation to pay the Installment Payments shall be a special obligation limited solely topayable from Surcharge #2 revenues and the Surcharge #2 Fund and, if required, from any and all other legally available moneys of the District. ~~Under no circumstances shall the District be required to advance any moneys derived from any source of income other than the Surcharge #2 and other sources specifically identified herein for the payment of the Installment Payments, nor shall any other funds or property of the District be liable for the payment of the Installment Payments.~~

The obligations of the District to make the Installment Payments from Surcharge #2 and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the District, the Corporation or the Assignee of any obligation to the District, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Corporation or the Assignee. Until such time as all of the Installment Payments shall have been fully paid or prepaid, the District (a) will not suspend, abate, or discontinue any payments provided for in Section 4.4 of this Installment Sale Agreement, (b) will perform and observe all other agreements contained in this Installment Sale Agreement, and (c) will not terminate the Term of the Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Corporation or the Assignee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement, the Assignment Agreement or this Installment Sale Agreement.

Nothing contained in this Section 4.5 shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained, and in the event the Corporation shall fail to perform any such agreements on its part, the District may institute such action against the Corporation as the District may deem necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the first sentence of the preceding paragraph. The District may, however, at the District's own cost and expense and in the District's own name or in the name of the Corporation prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's right of possession,

occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the District and to take such action necessary to effect the substitution of the District for the Corporation in such action or proceeding if the District shall so request.

Section 4.6. Deposits to Pay Installment Payments; Release from Lien.

(a) Lien on Surcharge #2. The District hereby agrees that the payment of the Installment Payments and any Parity Debt shall be secured by a first and prior lien upon Surcharge #2 revenues and the Surcharge #2 Fund, and Surcharge #2 revenues sufficient to pay the Installment Payments and payments with respect to any Parity Debt as they become due and payable are hereby assigned, transferred and set over by the District to the Corporation and its assigns for the purpose of securing payment of the Installment Payments and to the owner of any Parity Debt for the purpose of securing payment of such Parity Debt. The Surcharge #2 Fund shall constitute a trust fund for the security and payment of the Installment Payments and any Parity Debt.

(b) Transfer to Pay Installment Payments. In order to provide for the payment of Installment Payments when due, the District shall, on or before each Installment Payment Date, segregate the amount indicated in Exhibit A attached hereto as required for the next occurring Installment Payment Date.

(c) Release from Lien. Following the payment of the Installment Payments and any Parity Debt due in each year on April 1 and October 1, all excess Surcharge #2 revenue (except Surcharge #2 revenue collected between March 1 and April 1 and Surcharge #2 revenue collected between September 1 and October 1) shall be released from the lien of this Installment Sale Agreement and such Parity Debt and shall be available for any lawful purpose of the District.

Section 4.7. Additional Payments.

In addition to the Installment Payments, the District shall pay when due the following Additional Payments:

(a) Any fees and expenses incurred by the District in connection with or by reason of its ownership of the Project as and when the same become due and payable.

(b) Any reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the District, the Corporation or the Assignee to prepare audits, financial statements, reports, opinions or provide such other services required under this Installment Sale Agreement.

(c) Any reasonable out-of-pocket expenses of the District in connection with the execution and delivery of this Installment Sale Agreement, including any and all expenses incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Installment Sale Agreement or any of the other documents contemplated or thereby, or otherwise incurred in connection with the administration thereof.

ARTICLE V

MAINTENANCE, TAXES, INSURANCE AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Installment Sale Agreement, all improvement, repair and maintenance of the Project shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Project, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Project resulting from ordinary wear and tear.

The District shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting any portion of the Project or the respective interests or estates therein; *provided, however,* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Installment Sale Agreement as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the District that, in its opinion, by nonpayment of any such items, the interest of the Corporation hereunder will be materially adversely affected, in which event the District shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

Section 5.2. Operation of Project. The District covenants and agrees to operate the Project in an efficient and economical manner and to operate, maintain and preserve the Project in good repair and working order. The District covenants that, in order to fully preserve and protect the priority and security of the Installment Payments, the District shall pay from the Surcharge #2 and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Project which, if unpaid, may become a lien or charge upon the Surcharge #2 prior or superior to the lien granted hereunder, or which may otherwise impair the ability of the District to pay the Installment Payments in accordance herewith.

Section 5.3. Public Liability and Property Damage Insurance. The District shall maintain or cause to be maintained, throughout the Term of this Installment Sale Agreement, but only if and to the extent available at reasonable cost from reputable insurers, a standard comprehensive general insurance policy or policies in protection of the Corporation, the District, the Assignee and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Project. Said policy or policies shall provide coverage in such liability limits and shall be subject to such deductibles as shall be customary with respect to works and property of a like character. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the District, and may be maintained in whole or in part in the form of self-insurance by the District, subject to the provisions of Section 5.5, or in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such proceeds shall have been paid.

Section 5.4. Casualty Insurance. The District shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Installment Sale Agreement, but only in the event and to the extent available from reputable insurers at reasonable cost, casualty insurance against loss or damage to any improvements constituting any part of the Project, covering such hazards as are customarily covered with respect to works and property of like character (excluding earthquake and flood damage). Such insurance may be subject to deductible clauses which are customary for works and property of a like character, but not to exceed \$50,000. Such insurance may be maintained as part of or in conjunction with any other casualty insurance carried by the District and may be maintained in whole or in part in the form of self-insurance by the District, subject to the provisions of Section 5.5, or in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Project shall be used to repair, rebuild or replace such damaged or destroyed portion of the Project, and to the extent not so applied, shall be paid to the Assignee to be applied to prepay the Installment Payments in accordance with written instructions of the District filed with the Assignee.

Section 5.5. Insurance Net Proceeds; Form of Policies. The District shall pay or cause to be paid when due the premiums for all insurance policies required by this Installment Sale Agreement. The Assignee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. As appropriate, the District will add the Assignee as an additional insured under its policies of insurance.

Section 5.6. Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Project by the lawful exercise of eminent domain, at the election of the District (evidenced by a Written Certificate of the District filed with the Assignee and the Corporation) shall either (a) be used for the acquisition or construction of improvements and extension of the Project, or (b) be paid to the Assignee to be applied to prepay the Installment Payments in accordance with written instructions of the District filed with the Assignee. Eminent domain awards shall not impair the District's obligation to make Installment Payments hereunder.

Section 5.7. Records and Account. The District shall keep proper books of record and accounts of the Project, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Project. Said books shall, upon prior request, be subject to the reasonable inspection by the Assignee.

Section 5.8. Tax Covenants.

(a) *Generally*. The District will not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Installment Payments to become includable in gross income of the Assignee for federal income tax purposes.

(b) *Private Activity Bond Limitation*. The District will ensure that the proceeds of the Installment Payments are not so used as to cause the District's obligations hereunder to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.

(c) *Federal Guarantee Prohibition.* The District will not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Payments to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

(d) *No Arbitrage.* The District will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Installment Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Installment Payments to be "arbitrage bonds" within the meaning of section 148(a) of the Tax Code.

(e) *Arbitrage Rebate.* The District will take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Installment Payments.

(f) *Bank Qualification.* The District hereby designates this Installment Sale Agreement for purposes of paragraph (3) of section 265(b) of the Tax Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Tax Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Tax Code, except qualified 501(c)(3) bonds as defined in section 145 of the Tax Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Installment Sale Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2018.

Section 5.9. Limitations on Future Obligations Secured by Surcharge #2.

(a) No Obligations Superior to this Installment Sale Agreement. In order to protect further the availability of Surcharge #2 revenues and the security for this Installment Sale Agreement and any Parity Debt, the District covenants that no additional bonds or other indebtedness that are payable from Surcharge #2 in whole or in part will be issued or incurred on a senior basis to this Installment Sale Agreement and any Parity Debt.

(b) Parity Debt. Additional obligations may be issued on a parity with this Installment Sale Agreement and any then existing Parity Debt subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Debt, except that the District need not comply with subparagraph (ii) if the proposed Parity Debt is incurred to prepay or post a security deposit for the payment of this Installment Sale Agreement or Parity Debt:

(i) The District shall be in compliance with all covenants set forth in this Installment Sale Agreement and in the agreement relating to any then existing Parity Debt and no event of default hereunder shall have occurred and be then continuing.

(ii) Surcharge #2, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District ending not more than sixty (60) days prior to the adoption of the instrument issuing such Parity Debt is issued or incurred, plus, at the option of the District, Additional Revenues, shall at least equal one hundred twenty-five (125%) of the amount of maximum annual Installment Payments and the maximum annual debt service payments with respect to such Parity Debt to be outstanding immediately subsequent to the issuance or occurrence of such Parity Debt.

(iii) The Parity Debt Instrument providing for the issuance of such Parity Debt shall provide that:

(A) The proceeds of such Parity Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities of the District, or for the purpose of refinancing this Installment Sale Agreement or Parity Debt in whole or in part, including all costs (including costs of issuing or incurring such Parity Debt and including capitalized interest with respect to such Parity Debt during any period which the District deems necessary or advisable) relating thereto;

(B) Interest on such Parity Debt shall be payable on April 1 and October 1 in each year of the term of such Parity Debt except the first year, during which year interest may be payable on any April 1 or October 1; and

(C) The principal of such Parity Debt shall be payable on April 1 and/or October 1 in any year in which principal is payable.

(iv) The District shall provide notice to the Assignee, not later than 15 days prior to the issuance or incurrence of such Parity Debt together with a copy of the calculations referenced in Section 5.9(b)(ii).

Section 5.10. No Additional Obligations. The District hereby agrees that the District shall not, so long as any Installment Payments are unpaid, issue or incur any obligations payable from Surcharge #2.

Section 5.11. Maintenance of Levy and Collection of Surcharge #2. The District shall take all actions required by law or by the County in order to have the Surcharge #2 levied and collected and to budget and appropriate the Installment Payments hereunder in each fiscal year.

~~(b) In the event the District increases the levy from the prior year at less than the allowable increase of the Consumer Price Index for all Urban Consumers in the Sacramento-Orange-Riverside County Area, the levy will be in an amount at least equal to 1.25 times the Installment Payments for such year.~~

Section 5.12. Records and Financial Statements of the District and Reporting of Other Information. The District will furnish the following to the Assignee, as specified below, so long as amounts are due under this Installment Sale Agreement:

(a) its annual operating budget on or before June 30 of each year, beginning with the operating budget for the fiscal year ended June 30, 2018;

(b) its Comprehensive Annual Financial Report that includes audited financial statements certified by an independent public accountant selected by the District within 210 days after the end of its Fiscal Year, ~~together with a certificate of the District that no Event of Default is then existing and that the representations and warranties of the District set forth herein are then true and correct;~~

(c) semi-annually on each March 15 and September 15, an accounting of Surcharge #2 collections, expected Installment Payments due on the next succeeding April 1 and October 1 and the amount expected to be released from the lien of this Installment Sale Agreement; and

(d) upon the request of the Assignee, to the extent permitted by law, such other information as such party may reasonably request from time to time.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS

Section 6.1. Disclaimer of Warranties. The Corporation and the Assignee make no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District of the Project, or any other representation or warranty with respect to the Project. In no event shall the Corporation or the Assignee be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Installment Sale Agreement for the existence, furnishing, functioning or District's use of the Project.

Section 6.2. Access to the Project. The District agrees that the Corporation and the Assignee, and any duly authorized representative thereof, shall have the right at all reasonable times to enter upon and to examine and inspect the Project. The District further agrees that the Corporation and the Assignee, and any duly authorized representative thereof, shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of the Project in the event of failure by the District to perform its obligations hereunder.

Section 6.3. Release and Indemnification Covenants. The District shall and hereby agrees to indemnify and save the Corporation and the Assignee and their respective officers, agents, successors and assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Project or the System by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Installment Sale Agreement, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Project or the System, (d) any act or negligence of any sublessee of the District with respect to the Project or the System, or (e) the presence on, under or about, or release from, the Project or the System of any substance, material or waste which is, or which becomes, regulated or classified as hazardous or toxic under State, federal or local law. No indemnification is made under this Section 6.3 or elsewhere in this Installment Sale Agreement for adjudicated willful misconduct or gross negligence by the Corporation or the Assignee, or their respective officers, employees, successors or assigns. The rights of the Assignee and the obligations of the District under this Section 6.3 shall survive the termination of this Installment Sale Agreement.

Section 6.4. Non-Liability of Corporation for Project Obligations. The Corporation and its successor and assigns shall have no obligation and shall incur no liabilities or debts whatsoever for the obligations, liabilities and debts of the District incurred in connection with the Project.

ARTICLE VII

ASSIGNMENT, SALE AND AMENDMENT

Section 7.1. Assignment by the Corporation. The Corporation's rights under this Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the District under this Installment Sale Agreement have been pledged and assigned to the Assignee pursuant to the Assignment Agreement, to which pledge and assignment the District hereby consents.

The Assignee may make additional assignments or participations of its rights, title and interests herein; provided that such assignment is, as certified by such assignee of the Assignee (which may be in the form of the investor letter referred to in this paragraph), to (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, or (ii) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and is in compliance with all applicable securities laws; provided further that ~~but no~~ such assignment will be effective as against the District unless and until the Assignee has filed with the District at least five (5) Business Days' prior written notice thereof and an executed copy of an investor's sa letter executed by such assignee of the Assignee and addressed to the District and the Corporation substantially in the form of the letter delivered by the Assignee on the Closing Date.

(a) Section 7.2. Assignment by the District; Access to Project by Third Parties. This Installment Sale Agreement may not be assigned by the District.

~~(b) Nothing herein shall prohibit the District from providing access to or use of any portion of the Project by cellular providers or other seeking access thereto or use thereof, so long as such access or use does not cause the interest component of the Installment Payments to be includable in gross income for federal income tax purposes in the opinion of Special Counsel.~~

Section 7.3. Sale of Project. Except as provided herein, the District covenants that the Project shall not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole. Neither the Surcharge #2 nor any other funds pledged or otherwise made available to secure payment of the Installment Payments shall be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed or used except as authorized by the terms of this Installment Sale Agreement. The District shall not enter into any agreement which impairs the operation of the Project or any part of it necessary to secure adequate Surcharge #2 revenues to pay the Installment Payments, or which otherwise would impair the rights of the Assignee with respect to the Surcharge #2 or otherwise hereunder. If any substantial part of the Project shall be sold, the payment therefor shall either (a) be used for the acquisition or construction of improvements, extensions or replacements constituting the unsold part of the Project, or (b) to the extent not so used, be paid to the Assignee to be applied to prepay the Installment Payments, in accordance with written instructions of the District filed with the Assignee.

Section 7.4. Amendment of Installment Sale Agreement. The District and the Corporation shall have the right to modify or amend this Installment Sale Agreement with the consent of the Assignee, which consent shall not be unreasonably withheld, so long as such amendment or modification does not cause the interest component of the Installment Payments to be includable in gross income for federal income tax purposes in the opinion of Special Counsel.

Section 7.5. Notices. During the Term of this Installment Sale Agreement, the District shall provide to the Assignee:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Sale Agreement, together with a detailed statement by a District Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority.

(c) prompt written notice of an event causing a Material Adverse Effect.

ARTICLE VIII
EVENTS OF DEFAULT

Section 8.1. Events of Default Defined. The following events shall be Events of Default hereunder:

(a) Failure by the District to pay any Installment Payment when and as the same becomes due and payable hereunder.

(b) Failure by the District to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of ten (10) days.

(c) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, including failure to provide financial information referenced in Section 5.12, other than as referred to in the preceding clauses (a) or (b), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation or the Assignee; *provided, however*, that if the District shall notify the Corporation and the Assignee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 30-day period, such failure shall not constitute an event of default hereunder if the District shall commence to cure such failure within such thirty (30) day period and thereafter diligently and in good faith cure such failure in a reasonable period of time; provided, however, that such time periods from the original default shall not exceed sixty (60) days.

(d) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 shall have happened and be continuing, the Default Rate shall apply and it shall be lawful for the Corporation or the Assignee to exercise any and all remedies available pursuant to law or granted pursuant to this Installment Sale Agreement; provided, however, that notwithstanding anything to the contrary herein, there shall be no right under any circumstances to accelerate the Installment Payments or otherwise declare any Installment Payments not then in default to be immediately due and payable or to terminate this Installment Sale Agreement. In addition, in the Event of Default hereunder, and the continuation thereof, advances of funds for the Project shall be suspended.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Installment Sale Agreement should default under any of the provisions hereof and the nondefaulting party, the Assignee should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party, the Assignee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Assignee, to which assignment the District hereby consents.

Section 8.7. Judicial Reference.

(a) *Judicial Reference.* The Corporation and the District hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Lease Agreement, the Site and Facility Lease, the Property or any document related thereto (including the Assignment Agreement), any dealings between the District and the Corporation related to the subject matter of this Lease Agreement, the Site and Facility Lease or any related transactions, and/or the relationship that is being established between the District and the Corporation (hereinafter, a "Claim") shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Corporation or the District, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Corporation and the District agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Corporation and the District shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 8.7; (iv) either the Corporation or the District, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the Corporation and the District, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) *Selection of Referee; Powers.* The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within

the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Sacramento County Superior Court, or of the U.S. District Court for the Northern District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 8.7.

(c) *Provisional Remedies and Self Help.* No provision of this Section 8.7 shall limit the right of either the Corporation or the District, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Corporation or the District to the Reference pursuant to this Section 8.7.

(d) *Costs and Fees.* Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

ARTICLE IX

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Installment Sale Agreement, the District may on any date secure the payment of Installment Payments in whole or in part by irrevocably depositing with the Assignee or any other fiduciary an amount of cash which is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit A, or (b) invested in whole or in part in Federal Securities in such amount as will, in the written opinion of an Independent Accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant to Section 4.4(a) or when due on any optional prepayment date pursuant to Section 9.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section 9.1 with respect to all of the Installment Payments, all obligations of the District under this Installment Sale Agreement, and all security provided by this Installment Sale Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of such Installment Payments from such security deposit, and the obligation of the District to indemnify the Assignee pursuant to Section 6.3. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Installment Sale Agreement.

Section 9.2. Optional Prepayment. The District may exercise its option to prepay the principal components of the Installment Payments in whole on any Installment Payment Datedate, on and after March 1, 2028, upon 30 days' notice to the Assignee, by paying a prepayment price equal to the aggregate principal components of the Installment Payments to be prepaid, together with the interest component of the Installment Payment required to be paid on or accrued to such date without a premium.

Notwithstanding the foregoing, the Installment Payments are subject to optional prepayment each year on any date, at the option of the District, in part, in inverse order of payment date, up to 10% of the outstanding principal amount of the Installment Sale Agreement, upon at least forty-five (45) days prior written notice to the Assignee from the District, from any source of available moneys (other than the proceeds of a refinancing or new borrowing), at a prepayment price equal to the principal amount of the Installment Sale Agreement prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Section 9.3. Optional Prepayment From Proceeds of Insurance or Eminent Domain. The District may exercise its option to prepay the Installment Payments in whole, or in part among Installment Payment Dates on a *pro rata* basis in any integral multiple of \$5,000, on any date from and to the extent of any proceeds of insurance award or condemnation award with respect to the Project theretofore paid to the Assignee for such purpose pursuant to Sections 5.4 or 5.6. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, shall be credited towards the District's obligations under this Section 9.3.

ARTICLE X

MISCELLANEOUS

Section 10.1. Further Assurances. The District agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Corporation or the Assignee to carry out the intention or to facilitate the performance of this Installment Sale Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 10.2. Notices. Any notice, request, complaint, demand or other communication under this Installment Sale Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopy, telex or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy, telex or other form of telecommunication, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District or the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the Corporation: Public Property Financing Corporation of California
c/o Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: Treasurer

If to the District: Rio Linda/Elverta Community Water District
730 L Street
Rio Linda, CA 95673
Attention: Finance Manager
Telephone: (916) 991-1000

If to the Assignee: Opus Bank, a California commercial bank
131 West Commonwealth Avenue
Fullerton, CA 92832
DL-LoanServiceDepartment@opusbank.com
Loan #: Rio Linda – 530000008489

Section 10.3. Third Party Beneficiary. The Assignee shall be and is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 10.4. Governing Law. This Installment Sale Agreement shall be construed in accordance with and governed by the laws of the State.

Section 10.5. Binding Effect. This Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District, and their respective successors and assigns, subject, however, to the limitations contained herein.

Section 10.6. Severability of Invalid Provisions. If any one or more of the provisions contained in this Installment Sale Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Installment Sale Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Installment Sale Agreement, and this Installment Sale Agreement shall be construed as if such invalid or illegal

or unenforceable provision had never been contained herein. The Corporation and the District each hereby declares that it would have entered into this Installment Sale Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Installment Sale Agreement may be held illegal, invalid or unenforceable.

Section 10.7. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Installment Sale Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Installment Sale Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Installment Sale Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 10.8. Execution of Counterparts. This Installment Sale Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 10.9. Waiver of Personal Liability. No member of the Board, officer, agent or employee of the District shall be individually or personally liable for the payment of Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Installment Sale Agreement; but nothing herein contained shall relieve any such member of the Board, officer, agent or employee from the performance of any official duty provided by law or by this Installment Sale Agreement.

IN WITNESS WHEREOF, the Corporation and the District have caused this Installment Sale Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By _____
Stefan A. Morton
Treasurer

RIO LINDA/ELVERTA COMMUNITY
WATER DISTRICT, as Purchaser

By _____
Timothy R. Shaw
General Manager

EXHIBIT A

SCHEDULE OF INSTALLMENT PAYMENTS

<u>Installment Payment Date</u>	<u>Principal Component</u>	<u>Interest Component (1)</u>	<u>Total Installment Payment</u>
10/1/18	<u>\$ 90,000</u>	<u>(2)</u>	<u>(2)</u>
4/1/19	<u>105,000</u>	<u>(2)</u>	<u>(2)</u>
10/1/19	<u>105,000</u>	<u>(2)</u>	<u>(2)</u>
4/1/20	<u>105,000</u>	<u>\$58,548.00</u>	<u>\$163,548.00</u>
10/1/20	<u>110,000</u>	<u>56,826.00</u>	<u>166,826.00</u>
4/1/21	<u>110,000</u>	<u>55,022.00</u>	<u>165,022.00</u>
10/1/21	<u>110,000</u>	<u>53,218.00</u>	<u>163,218.00</u>
4/1/22	<u>115,000</u>	<u>51,414.00</u>	<u>166,414.00</u>
10/1/22	<u>115,000</u>	<u>49,528.00</u>	<u>164,528.00</u>
4/1/23	<u>115,000</u>	<u>47,642.00</u>	<u>162,642.00</u>
10/1/23	<u>120,000</u>	<u>45,756.00</u>	<u>165,756.00</u>
4/1/24	<u>120,000</u>	<u>43,788.00</u>	<u>163,788.00</u>
10/1/24	<u>125,000</u>	<u>41,820.00</u>	<u>166,820.00</u>
4/1/25	<u>125,000</u>	<u>39,770.00</u>	<u>164,770.00</u>
10/1/25	<u>125,000</u>	<u>37,720.00</u>	<u>162,720.00</u>
4/1/26	<u>130,000</u>	<u>35,670.00</u>	<u>165,670.00</u>
10/1/26	<u>130,000</u>	<u>33,538.00</u>	<u>163,538.00</u>
4/1/27	<u>135,000</u>	<u>31,406.00</u>	<u>166,406.00</u>
10/1/27	<u>135,000</u>	<u>29,192.00</u>	<u>164,192.00</u>
4/1/28	<u>140,000</u>	<u>26,978.00</u>	<u>166,978.00</u>
10/1/28	<u>140,000</u>	<u>24,682.00</u>	<u>164,682.00</u>
4/1/29	<u>145,000</u>	<u>22,386.00</u>	<u>167,386.00</u>
10/1/29	<u>145,000</u>	<u>20,008.00</u>	<u>165,008.00</u>
4/1/30	<u>145,000</u>	<u>17,630.00</u>	<u>162,630.00</u>
10/1/30	<u>150,000</u>	<u>15,252.00</u>	<u>165,252.00</u>
4/1/31	<u>150,000</u>	<u>12,792.00</u>	<u>162,792.00</u>
10/1/31	<u>155,000</u>	<u>10,332.00</u>	<u>165,332.00</u>
4/1/32	<u>155,000</u>	<u>7,790.00</u>	<u>162,790.00</u>
10/1/32	<u>160,000</u>	<u>5,248.00</u>	<u>165,248.00</u>
4/1/33	<u>160,000</u>	<u>2,624.00</u>	<u>162,624.00</u>

- (1) Applicable interest rate is 3.28% per annum. If, on these dates, the Default Rate or the Taxable Rate (each as defined in the Installment Sale Agreement) is in effect, interest will be computed by applying such alternate rate.
- (2) The interest payable on 10/1/18, 4/1/19 and 10/1/19 will be based on the amount of principal advanced and for the period prior to such date.

EXHIBIT B**DESCRIPTION OF PROJECT**

The Project constitutes:

Remediation of Well 10. Well 10 is an existing well, which produces water in excess of the proposed Hexavalent Chromium Maximum Contaminant Limit (Cr+6 MCL). The Well 10 project would provide Cr+6 treatment, using ion exchange, to remediate the contamination.

Construction of Well 16. The Well 16 project is drilling a new well using hydrogeological empirical data gained during the monitoring well phase to yield drinking water that is below the proposed Cr+6 MCL without treatment. The Well 16 project will enable the District to abandon existing wells which exceed the Cr+6 MCL and/or relegate those existing wells to backup/standby status instead of a more primary status. The Well 16 project includes new well casing, new well pump, new motor control equipment, SCADA and chemical addition facilities.

EXHIBIT C

FORM OF ADVANCE REQUEST

Up to \$3,870,000
Installment Sale Agreement,
dated as of March 1, 2018,
by and between the
Public Property Financing Corporation of California and the
Rio Linda/Elverta Community Water District,
Assigned to Opus Bank, a California commercial bank
(Loan Number: 530000008489)

ADVANCE REQUEST

The undersigned hereby states and certifies:

- (i) that the undersigned is the duly appointed, qualified and acting _____ of the Rio Linda/Elverta Community Water District, a county water district duly organized and existing under the laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized to certify the same on behalf of the District;
- (ii) that the undersigned is a duly designated District Representative, as such term is defined in that certain Installment Sale Agreement, dated as of March 1, 2018, by and between the Public Property Financing Corporation of California and the District (the "Installment Sale Agreement");
- (iii) that the District hereby requests that Opus Bank, a California commercial bank, as Assignee (as defined in the Installment Sale Agreement"), advance the sum of \$_____ to the District, being a draw-down and additional purchase price of the principal component of the Installment Payments (as defined in the Installment Sale Agreement), as contemplated by the Installment Sale Agreement, with interest to accrue on such amount when advanced;
- (iv) that such advance will be applied to the payment or reimbursement of the costs of the Project (as defined in the Installment Sale Agreement) listed on Exhibit A attached to this Advance Request;
- (v) advances shall be transferred to the District (using the wire instructions on Exhibit B attached to this Advance Request), other than the final advance made in accordance with Section 3/1(b)(ii) of the Installment Sale Agreement, which shall be deposited into an account established and maintained by the District at the Assignee;
- (vi) that no Event of Default has occurred or is continuing under the Installment Sale Agreement and each representation and warranty set forth in such documents remains true and correct except for such representations and warranties that are no longer true due to the passage of time;
- (vii) that the total amount drawn down to date is \$_____, as shown on Exhibit C attached to this Advance Request; and

(viii) that this advance request [IS] [IS NOT] the final advance request.

Dated: _____, 20__

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

By _____
Name _____
Title _____

APPROVED:

OPUS BANK, a California commercial bank

By _____
Name _____

EXHIBIT A

DESCRIPTION OF REIMBURSEMENT OR PAYMENT OF ADVANCE

|

EXHIBIT B
WIRE INSTRUCTIONS

EXHIBIT C
SCHEDULE OF ADVANCES

Date of Advance	Amount of Advance	Total of All Advances	District Signature
3/1/18			



65

Items for Discussion and Action Agenda Item: 5.4

Date: August 19, 2019

Subject: Reconsider Previous Board Authorization for assigned Board Member(s) attendance for all ACWA/ACWA-JPIA meetings.

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommends the Board amend its previous authorization for attendance by the appointed Board Member(s). Instead of authorizing attendance for all meeting, the Executive Committee recommends blanket authorizing only meetings held in Sacramento. Meetings held outside of Sacramento should be authorized on a case-by-case basis.

Current Background and Justification:

District policy requires Board authorization for Board Member attendance of meetings and conferences. At a Board meeting in 2018, the Board blanket authorized the ACWA/ACWA-JPIA assigned Board Member(s) attendance for all ACWA/ACWA-JPIA meetings and conferences.

The District has expended up to \$10,000 per year in airfare, accommodations, registration, etc. for Board Member attendance for both the spring and fall ACWA conferences. Much of the material covered at one of the ACWA conferences is covered at the next conference. Furthermore, ACWA typically publishes the material and presentations from each session of their conferences within a few days following the conference.

Every other year, the spring ACWA conference is held in Sacramento. Regularly throughout each year, ACWA holds meetings of its Groundwater Committee and Water Quality Committee at the ACWA office facility in Sacramento. Most of the areas relevant to the District are discussed at these committee meetings in Sacramento. Material provided at the ACWA Groundwater Committee meeting held August 8, 2019 (attended by the GM) is included with your packets.

Conclusion:

I concur with the Executive Committees recommendation. I recommend the Board amend its previous authorization, move to provide blanket authorization to attend only ACWA/AWCA JPIA meetings

held in Sacramento. ACWA/ACWA-JPIA meetings held outside of Sacramento to be considered by the Board on a case-by-case basis.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 5.4

Date

Initial Potential Meeting Date8/19/19

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

Reconsider the previous Board authorization for the appointed Board Member(s) to attend all
ACWA and ACWA-JPIA meetings.

8/2/19**Staff Work Completed**

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

Committee Review of Item and Staff Work8/5/19

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

Formal Legal Counsel ReviewN/A

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

GM Review8/16/19**Actual Meeting Date Set for Agenda Item**8/19/19

QUARTERLY COMMITTEE FORUM AGENDA

AUGUST 7 - 9, 2019



LOCATION

910 K STREET, SACRAMENTO
ACWA BOARDROOM

REGISTRATION

In-Person: To attend in person, please register at www.surveymonkey.com/r/ACWACommMtgs. In-person registration closes **July 26**. Due to room capacity, in-person registration is available on a first to register basis. Lunch will be provided to those attending in person.

Remote Access: Remote access will be available. Please register at attendee.gotowebinar.com/register/4356679984412551171.

FOR MORE INFORMATION, CONTACT YOUR COMMITTEE LIAISON

Dave Bolland: Daveb@acwa.com
 Chelsea Haines: Chelseah@acwa.com
 Adam Borchard: Adamb@acwa.com
 Melissa Sparks-Kranz: Melissas@acwa.com

DAY 1 AUGUST 7

9:00 AM - 12:00 PM
Agriculture Committee

12:00 PM - 12:30 PM
Networking Lunch

12:30 PM - 4:00 PM
Groundwater Committee

DAY 2 AUGUST 8

9:00 AM - 12:00 PM
Water Management Committee

12:00 PM - 1:00 PM
Networking Lunch

1:00 PM - 4:00 PM
Water Quality Committee

DAY 3 AUGUST 9

10:00 AM - 1:00 PM
Energy Committee
and Working Lunch

All other ACWA Committee Meetings will be scheduled as determined by the Committee Liaison.



Agriculture Committee Meeting		
August 7, 2018 • 9:00 am – 12:00 pm Networking Lunch • 12:00 pm – 12:30	ACWA's Boardroom • 910 K Street, Sacramento CA, 95814	
Chair: Bill Diedrich	Vice Chair: Randy Record	Staff Liaison: Adam Borchard
Please register at https://attendee.gotowebinar.com/register/4356679984412551171 After registering you will receive a confirmation email containing information about joining the webinar.		

Revised – 8/2/19

I. Chair's Welcome & Introductions (10 min)	Bill Diedrich Adam Borchard
II. ACWA Committee Appointment Process for 2020–21 Term (5 min)	Adam Borchard
III. San Joaquin Valley Blueprint (30 min)	Jason Phillips, Friant Water Authority
IV. ACWA Deputy Executive Director for Government Relations Update (30 min) • Safe and Affordable Drinking Water Fund • Newsom Administration's Water Resilience Portfolio Discussion	Cindy Tuck
V. SB 1 (Atkins, 2019) California Environmental, Public Health, and Workers Defense Act of 2019 (15 min)	Kris Anderson Bill Diedrich
VI. Federal Relations Update (10 min)	Abby Schneider
VII. Cultivate California (10 min)	Mike Wade, California Farm Water Coalition
VIII. AB 1668 Agricultural Water Use Efficiency Discussion (60 min)	Marty Berbach, DWR Sabrina Cook, DWR
IX. SWRCB Bay-Delta Water Quality Control Plan and Voluntary Agreements (5 min)	Chelsea Haines
X. Central Valley Salt and Nitrate Management (5 min)	Adam Borchard
XI. Other Business	Bill Diedrich

12:00 – 12:30 PM Networking Lunch with Groundwater Committee
Agriculture Committee members are welcome to attend the Groundwater Committee meeting immediately following lunch.

Next Meeting: – December 3, 2019, 8:00 – 9:45 AM at ACWA's 2019 Fall Conference in San Diego

Groundwater Committee Meeting		
August 7, 2018 • 12:30 – 4:00 pm Networking Lunch • 12:00 – 12:30 pm	ACWA's Boardroom • 910 K Street, Sacramento CA, 95814	
Chair: John Woodling	Vice-chair: Eric Averett	Staff Liaison: <u>Dave Bolland</u> & <u>Melissa Sparks-Kranz</u>
Please register at https://attendee.gotowebinar.com/register/4356679984412551171 After registering you will receive a confirmation email containing information about joining the webinar.		

12:00 – 12:30 PM Networking Lunch with Agriculture Committee
Groundwater Committee members are welcome to attend the Agriculture Committee meeting prior to lunch.

I.	Chair's Welcome & Introductions (5 min)	John Woodling, GEI
II.	ACWA Talks: Groundwater Practitioner Testimonials (25 min)	Aaron Fukuda, Tulare Irrigation District
III.	Committee Reappointment Process (10 minutes)	ACWA staff
IV.	Newsom Administration Water Resilience Portfolio (30 min)	Cindy Tuck
V.	Groundwater Replenishment (45 min) <ul style="list-style-type: none"> • ACWA's Replenishment Initiative • SWRCB Streamlined Permit Update 	Eric Averett, Rosedale-Rio Bravo Water Storage District Sam Boland-Brien, SWRCB
VI.	SGMA-related Updates (1 hour and 15 min) <ul style="list-style-type: none"> • Bulletin 74 Well Standards Updates • SWRCB SGMA Enforcement Updates • DWR SGMA Implementation Updates 	Julie Haas, DWR Andrew Renshaw, SWRCB Taryn Ravazzini, DWR
VII.	Groundwater Resources Association (10 min)	Tim Parker, GRA
VIII.	NWRA Groundwater Update & Closing (10 min)	John Woodling

Next Meeting: – Dec. 3, 2019 from 10 - 11:45 AM at ACWA's 2019 Fall Conference in San Diego

Water Management Committee Meeting		
August 8, 2018 • 9:00 am – 12:00 pm Networking Lunch • 12:00 – 1:00 pm	ACWA's Boardroom • 910 K Street, Sacramento CA, 95814	
Chair: Paul Shoenberger	Vice-chair: Ted Trimble	Staff Liaison: <u>Dave Bolland</u>
Please register at https://attendee.gotowebinar.com/register/4356679984412551171 After registering you will receive a confirmation email containing information about joining the webinar.		

I. Welcome and Introductions (5 min)	Paul Shoenberger
II. Committee Appointment Process (5 min)	Dave Bolland
III. Newsom Administration Water Resilience Portfolio (10 min)	Cindy Tuck
IV. Integrated Regional Water Management Policy Principles (10 min)	Lance Eckhart
V. Water Conservation Implementation Update (45 min)	Peter Brostrom, DWR Max Gomberg, SWRCB
VI. Desalination Update (15 min)	Paul Kelley, CalDesal
VII. WaterReuse CA Action Plan (25 min)	Jennifer West, WaterReuse
VIII. State Water Data Initiative (30 Min)	Debbie Franco, Office of Planning and Research Betsy Lichti, SWRCB
IX. Voluntary Agreements (30 min)	Eric Oppenheimer, SWRCB
X. Networking Lunch	
XI. Breaking down the VA on the American River (30 min) • SB 1 impacts to Voluntary Agreements	Jim Peifer, Regional Water Authority Kris Anderson

12:00 – 1:00 PM Networking Lunch with Water Quality Committee
Water Management Committee members are welcome to attend the Water Quality meeting immediately following lunch.

Next Meeting: – Dec. 3, 2019 from 1:00 - 2:45 PM at ACWA's 2019 Fall Conference in San Diego

Water Quality Committee Meeting		
August 8, 2018 • 1:00 – 4:00 pm Networking Lunch • 12:00 – 1:00 pm	ACWA's Boardroom • 910 K Street, Sacramento CA, 95814	
Water Quality Committee		
Chair: Edgar Dymally	Vice-chair: Steve Bigley	Staff Liaison: <u>Adam Borchard</u>
Drinking Water Subcommittee		
Chair: Steve Bigley	Vice-chair: Edgar Dymally	Staff Liaison: <u>Adam Borchard</u>
Clean Water Act Subcommittee		
Chair: Jeremy Jungreis	Vice-chair: Jim Atkinson	Staff Liaison: <u>Chelsea Haines</u>
Aquatic Resources Subcommittee		
Chair: David Manning	Vice-chair: Jeffrey Beehler	Staff Liaison: <u>Chelsea Haines</u>
Please register at https://attendee.gotowebinar.com/register/4356679984412551171 After registering you will receive a confirmation email containing information about joining the webinar.		

12:00 – 1:00 PM Networking Lunch with Water Management Committee
Water Quality members are welcome to attend the Water Management Committee meeting prior to lunch.

Revised 8/1/19

Water Quality Committee

I. Chair's Welcome & Introductions (10 min)	Edgar Dymally Adam Borchard
II. Additions to Agenda	Edgar Dymally
III. ACWA Committee Appointment Process for 2020 – 21 Term (5 min)	Adam Borchard
IV. 2019 ACWA Regulatory Summit (10 min)	Adam Borchard
V. ACWA Deputy Executive Director for Government Relations Update (15 min)	Cindy Tuck
<ul style="list-style-type: none"> • Safe and Affordable Drinking Water Fund • Newsom Administration's Water Resilience Portfolio Discussion 	
VI. Federal Update (10 min)	Abby Schneider

Clean Water Subcommittee

I. Chair's Welcome (5 min)	Jeremy Jungreis
----------------------------	-----------------

II. SWRCB's Division of Water Quality Updates (25 min)	Karen Mogus, SWRCB
III. Voluntary Agreements: how ACWA can provide support (5 min)	ACWA staff
IV. Regulatory Updates (20 min) <ul style="list-style-type: none"> • SWRCB Toxicity Provisions • Central Valley Salt and Nitrate Management • Other 	ACWA staff Subcommittee members

Safe Drinking Water Subcommittee

I. Chair's Welcome (5 min)	Steve Bigley
II. CA Quality Management System & Laboratory Accreditation (25 min)	Amber Baylor, South Orange County Wastewater Authority
III. Regulatory Updates (20 min) <ul style="list-style-type: none"> • PFAS contaminants • SWRCB MCL Economic Feasibility • Other 	ACWA staff Subcommittee members

Aquatic Resources Subcommittee

I. Chair's Welcome (5 min)	David Manning
II. Regulatory Updates (10 min) <ul style="list-style-type: none"> • CDFW's Nutria Eradication Program • Other 	ACWA staff Subcommittee members

Water Quality Committee

I. Potential ACWA webinar opportunities (5 minutes)	ACWA staff Committee members
II. Program Suggestions for 2019 Fall Conference (5 min)	Edgar Dymally
III. Other Business	Edgar Dymally

Next Meeting: – December 3, 2019, 3:00 – 4:45 PM at ACWA's 2019 Fall Conference in San Diego

Energy Committee Meeting		
August 9, 2018 • 10:00 am – 1:00 pm		ACWA's Boardroom • 910 K Street, Sacramento CA, 95814
Chair: Charley Wilson	Vice-chair: Michael Minkler	Staff Liaison: Chelsea Haines
Please register at https://attendee.gotowebinar.com/register/4356679984412551171 After registering you will receive a confirmation email containing information about joining the webinar.		

I.	Welcome and Introductions (5 min)	Michael Minkler
II.	ACWA Committee Appointment Process for 2020 – 21 Term (5 min)	Chelsea Haines
III.	Legislative Updates (20 min)	Patrick Welch, CMUA
IV.	Drivers & Changes Coming to the Electric Industry (20 min)	Patrick Mealoy, Strategic Resource Advisors
V.	Economics & Opportunities of Renewable Resources (35 min)	Damon Silva, CalCOM Mark Henwood, Henwood Associates
VI.	Hot Topics: conference programs and committee priorities (15 min)	Committee
VII.	Networking Lunch (10 min)	
VIII.	SDG&E's experience with wildfire mitigation and how it is being applied to today (10 min)	Duane Cave, SDG&E
IX.	De-energization (Public Safety Power Shutoff) Webinar: mitigating impacts of de-energization through on-site generators (60 min) <ul style="list-style-type: none"> • From noon to 1:00 pm 	Ryan Baron, BBK Gary Arant, VCMWD Michael Minkler, CCWD David Coxey, BVWD Brett Kawakami, EBMUD
X.	Adjournment	

Next Meeting: – December 3, 2019, 1:00 – 2:45 PM at ACWA's 2019 Fall Conference in San Diego



Items for Discussion and Action Agenda Item: 5.5

Date: August 19, 2019

Subject: RLECWD Strategic Plan Next Steps

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item to the August 19th Board agenda to enable discussion by the full Board.

Current Background and Justification:

The District began the strategic planning process over a year ago. The process entailed, among other efforts, obtaining feedback from the Board Members on vision, objectives and goals for the District. Subsequent to the workshops where such Board Member input was obtained, three of the original five Board Members have resigned.

The process of finalizing the strategic plan prior to the resignation of three Board Members was protracted due to several factors. Chief among these factors were the negotiation for renewal of the collective bargaining agreement and the unexpected deterioration of the strategic plan consultant's involvement. I had worked with this strategic plan consultant before, and I had apprised this consultant of the limited personnel resources at RLECWD even before we engaged his services. I was disappointed in his approach after all the workshops and meetings were complete. All the raw data was submitted to me to refine and polish.

Regardless of the justification for delay, the next steps remain necessary and appropriate. It is reasonable to seek input from new Board Members instead of asking them to endorse the vision and values of the departed Board Members. Accordingly, it necessary to decide if we're going to conduct an additional workshop to obtain new Board Member input, and whether we want to pay a consultant to facilitate, moderate and focus such a workshop. I do not recommend we continue to engage the existing consultant. The last task remaining on his contract was a "tone check workshop" (a workshop with the Board to review and refine (if necessary) the draft strategic plan. Discussion at the Executive Committee of the tone check workshop and need for a facilitator at such workshop included consideration for the nearly complete status (i.e. not much needs to be done) of the draft Strategic Plan.

Personally, my perspective as General Manager has evolved since the first meeting with the consultant derived my input on strengths, weaknesses opportunities and threats. A specific influence of this

personal evolution is my recommendation to incorporate General Manager continuity as among the vision and objectives for the District. From June 2018 through today, I have become more keenly aware of the consequences of all the turnover at the GM position. An emblematic example is the District's adoption of the Elverta Specific Plan Water Supply Strategy and that document's role in perceived conformance with PF-8.

Conclusion:

I recommend the Board discuss the next steps. This discussion should solicit feedback from the "new" Board Members. The objective of such discussion should be to ascertain the consensus of the Board on the best next steps toward final adoption of the RLECW Strategic Plan. If such objective is achieved, provide clear direction to staff accordingly.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 5.5

Date

Initial Potential Meeting Date

8/19/19

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

Consider directing nets steps for adopting RLECWD Strategic Plan.

8/2/19

Staff Work Completed

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

Committee Review of Item and Staff Work

8/5/19

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

Formal Legal Counsel Review

N/A

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

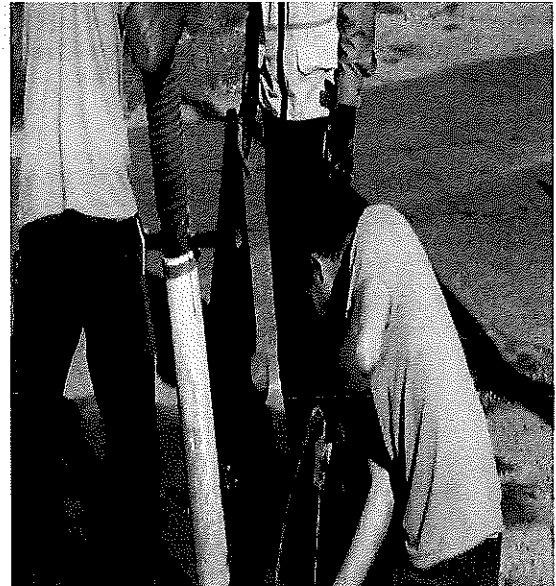
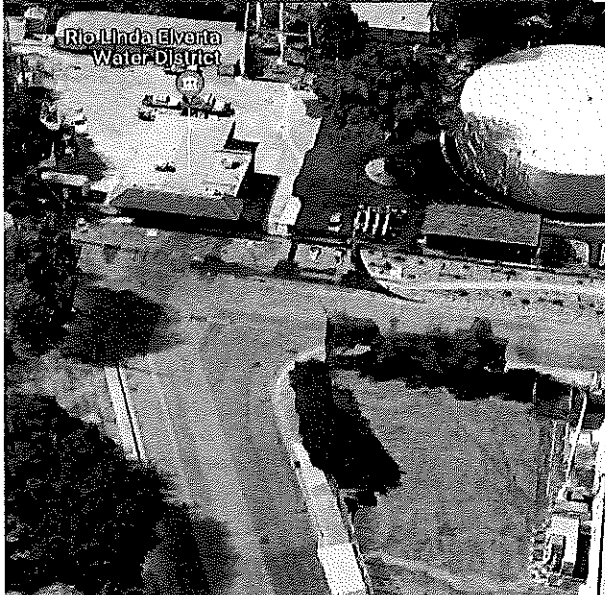
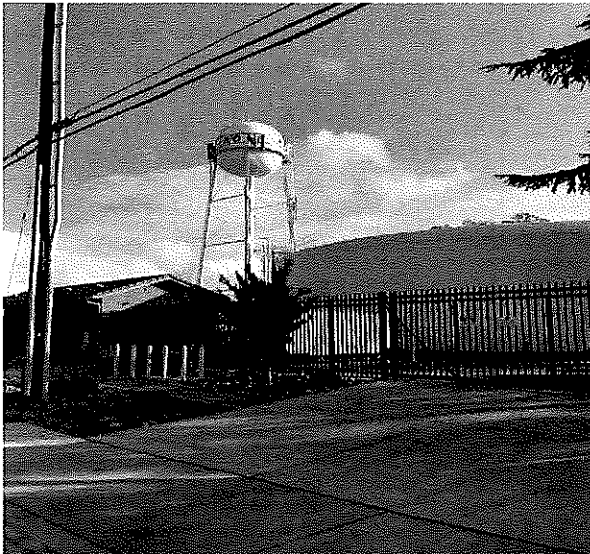
GM Review

8/16/19

Actual Meeting Date Set for Agenda Item

8/19/19

RLECWD
Five-year Strategic Plan
2019-2024
August 19, 2019





DRAFT

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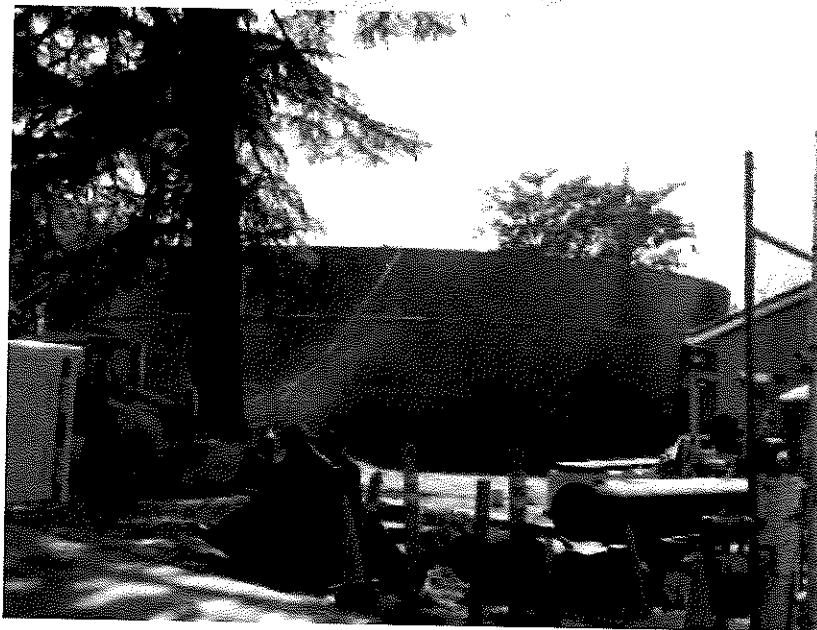
DRAFT

Introduction

A Strategic Plan is a top-level planning document for an organization to set clear direction for the operational aspects of its mission over a given timeframe. For the Rio Linda Elverta Community Water District, it serves as a roadmap for decision making over a five-year period, while affecting the long-term future. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a collective course of action by the Board of Directors and Staff. Beginning with foundational statements, the District's Mission and Strategic Vision, the overall structure of this Strategic Plan was developed by the Board in a series of workshops.

Within the framework of that structure, strategies and tactics were developed by District staff to sustain and, where appropriate, prepare and improve the District over the next five years. At its highest level, this Strategic Plan seeks to strengthen and build upon opportunities while addressing areas of concern.

This plan also identifies actions, activities, and to leverage and implement planning efforts that are currently underway and which are needed for continued success in operations and management of the District, and provides for periodic reviews and updates.



Strategic Planning Definitions

Mission Statement: A declaration of the District's purpose which succinctly describes why the District exists. All activities of the District should be in support of the Mission Statement. The District's Mission statement also reflects the values to which the District Board is dedicated. The

Board of Directors adopts the Mission Statement. The Mission Statement is reviewed annually but is intended to be constant over the long term.

Vision Statement: A statement that articulates where the District wants to be over

the life of the Strategic Plan. It outlines the key changes at the highest level that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan. The Board of Directors adopts the Vision Statement. The Vision Statement will be reviewed annually and will typically change more frequently than the Mission Statement to reflect the direction the Board wants to take the District over the five-year time horizon of the Strategic Plan.

Core Values: These are values, framed in question form, are the values to which the Board of Directors are fiercely dedicated. They are anchored in community values and are used by the Directors as decision filters for the myriad of decisions in the future.

Strategic Elements: The broad and primary areas of District operations, planning, and management that are addressed and supported by the Strategic Plan goals. These essentially serve as the outline and organization of the Strategic Plan. The Board of Directors adopts the Strategic Elements. The Strategic Elements are reviewed annually but are intended, absent major new issues to be faced, to be relatively constant over the life of the five-year Strategic Plan.

Objective/Strategy statement: A concise statement associated with each Strategic Element that describes what the Objective for that Element is and how it will be achieved.

Strategic Goals: The goal statement is supported by a narrative that more fully explains the nature of the goal and the issues that the goal intends to address. The Strategic Goals are prepared by District staff and accepted by the Board. The Strategic Goals may change from year-to-year when the annual assessment is made of the progress on each Strategic Element. The Strategic goals define the line between policy (Board responsibility) and implementation (staff responsibility) and as such are a collaborative effort of both the Board and staff.

Strategic Plan Development

In 2018 the District retained the services of a strategic planning consultant to facilitate and coordinate the development of the District's five-year Strategic Plan. To prepare for the workshops the Consultant interviewed the District Board members individually on matters they thought were most relevant to future strategy for the District. The following topics were discussed at all of the input gathering meetings:

Mission	Weaknesses
Vision	Opportunities
Strengths	Threats

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. A public Board workshop was held on July 10, 2018. At this workshop the Board reviewed inputs, reviewed and endorsed the District's draft formal Mission Statement and discussed and created Vision Strategies Focus Areas which serve as Vision for the District. On August 6, 2018, the District conducted another strategic planning workshop to receive input from community partners and the public in general.

In the Spring of 2019, the District's Board of Directors experienced substantial turnover. In unrelated incidents, which bear no reflection on the volatility or instability of the District, three of the five Board Members resigned. A majority of the current Board Members did not participate in the strategic planning sessions in July and August 2018. Accordingly, a more deliberate process for the final workshop in September 2019 was performed to incorporate the new Board Members' input.

Using this process the Strategic Plan was assembled in a way that best articulates the Board's Vision and Strategy for the District over the next five years.

The implementation of the strategic focus areas having been proposed by staff was then checked with the Board to serve as a check to assure that implementation properly addressed the Vision of the Board. Formal Board adoption of the Plan occurred on September 16, 2019.

Maintenance of the Plan

A key part of the Strategic Planning process is to conduct an annual review to update the Plan. These reviews allow for regular maintenance of the Plan so that it reflects the actual progress and conditional needs of the District. The reviews will be documented and followed up with by either a Plan supplement or an updated Plan. A five-year planning horizon will be maintained with each review effort developing a new fifth year of actions, projects and initiatives.

Mission Statement and Five-year Strategic Focus Areas

DISTRICT MISSION

Our Mission is to provide, in a cost-effective manner to the Customers, a water supply that is safe and reliable (according to state and federal standards) and that meets both current and future needs.

“(Proposed as a shorter version:

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

District Vision Statements

In 5 years, we'd like to be able to say...

- VS-1 We have made significant progress in the funding needed replacements of district infrastructure, including the office facility.
- VS-2 We are continuing to provide drinking water that meets all state and federal limits,
- VS-3 We have improved the coverage provided by our Automated Metering Information (AMI) infrastructure to reduce the need for manual reading.
- VS-4 We have improved the district's public image
- VS-5 We are meeting statewide water use efficiency and water loss standards.
- VS-6 We establish a rate structure and rate adjustment practices that fairly balance operational needs, water use efficiency and water affordability.
- VS-7 We remain financially healthy and have reduced the overall District debt and unfunded liabilities.
- VS-8 We have adequate staffing and a stable, satisfied and productive workforce

District Strategic Focus Areas

Strategic Focus Areas represent the vital areas of the District's operation and management that must be addressed in the strategic plan. They are created by the Board of Directors and link the implementation work to the Mission and Vision. Strategic elements are derived from the foundational Mission and Vision statements of the District. They are linked to action and results through the Strategic Goals written in each area and the Strategic Work Plan. Within the five-year period covered by this Strategic Plan, these areas assure that all aspects of District operations are well supported; moving forward in a way that reflects Board priorities and creates balanced implementation. The Strategic Work Plan which contains the supportive actions and initiatives organized and prioritized by year within the planning period, is presented along with each Strategic Goal and is also consolidated in tabular form in Table 1 - Strategic Plan "At-a-Glance" (pg. 12). Business Plans and employee goals can be derived from these and are not a part of the Strategic Plan, but tactical; these are developed on a one to two-year timeframe with tasks and are handled within the management structure of the District.

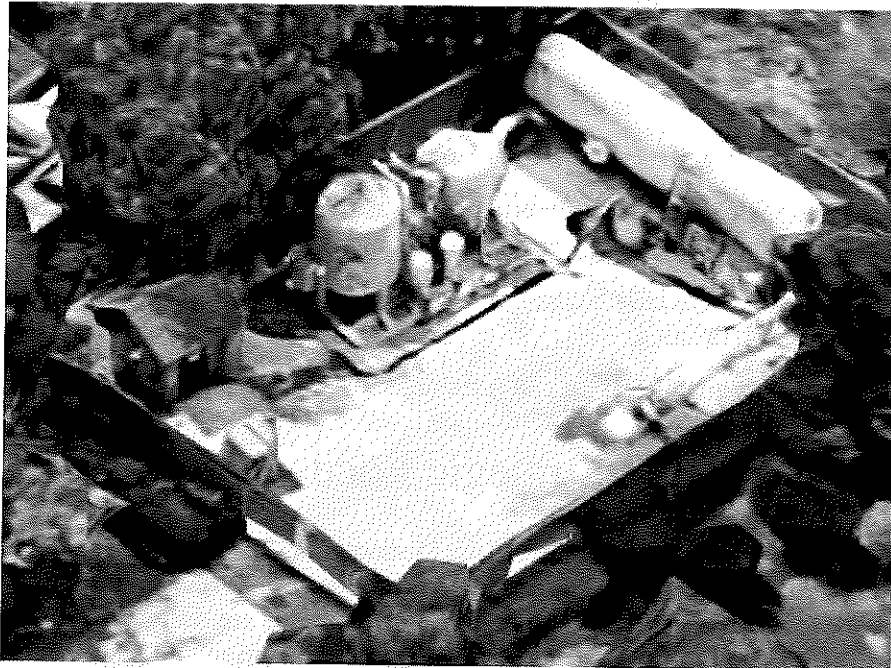
In 5 years, we must deal with the following strategic focus areas (in no particular order) ...

- 1.0 Water Sources –
- 2.0 Infrastructure (including Administrative Offices)-
- 3.0 Rate Adequacy and Financial Stability-
- 4.0 Partner Relations –
- 5.0 Organization and Workforce -
- 6.0 Readiness for residential development and other opportunities –

7.0 Readiness for Regulatory Shifts

Strategic Implementation

The Implementation Plan below contains tactics organized around the focus areas. They are then sorted by year within the planning period. They are provided in tabular form in Table 1 - Strategic Plan "At-a-Glance" (pg. 12).



1. Water Sources

Our objective is to be confident with the District's ability to provide safe and reliable water supply to our ratepayers. Our strategy is to continually study, optimize, clarify and report our water needs and to make solid decisions on investing in, protecting and developing water sources.

- 1.1. Clearly outline options for the development of water sources
- 1.2. Refine and choose viable options for other water sources for RLECWD
- 1.3. Clearly communicate with the public regarding options
- 1.4. Properly adopt and implement water use efficiency and water loss requirements.

2. Infrastructure

Our objective is to manage infrastructure needs of the District over the long-term. Our strategy is to commission professional studies as needed and then support needed repairs and improvements to assure that we are appropriately positioned to proactively provide the water system needed by our ratepayers.

- 2.1. Update Water Master Plan and ancillary documents
- 2.2. Administrative Building
- 2.3. Capital Improvement Plan (clearly communicate the public need)

3. Rate Adequacy and Financial Stability

Our objective is to be confident with the efficient use of the public's resources yet fulfill our commitment to the overall Mission of the District. Our strategy is to regularly study, carefully analyze costs and rates remain open about our business methods and principles to make highest and best use of the public resource.

- 3.1. Set Rate Philosophy
- 3.2. Conduct Rate Study (SB-606, Hexavalent Chromium, licensed treatment operators, conservation mandates, operations reserve fund, other Gaps)
- 3.3. Initiate Periodic Rate Studies; both informal, in-house and formal, outsourced.
- 3.4. Continue our good finance reporting practices and promote our excellence in financially transparency.
- 3.5. Review and revise fees to ensure we maintain the required correlation between the cost of providing service and the fee we charge.
- 3.6. Implement the previously established direct assessment process to recover debt from those customers whose non-payment are effectively a liability to the rest of the customers.
- 3.7. Strive to reduce debt and the fixed charges in our rate structure therefrom.
- 3.8. Transition to proactive financing of needed infrastructure replacement instead of reactive, to avoid having to borrow money to catch up and/or pay for deferred maintenance in a crisis mode.

4. Partner Relations

Our objective is to build on our partnerships with other agencies and professional organizations to the benefit of the District. Our strategy is to actively participate in groups that share common interests and to support and lead where appropriate within our industry associations.

- 4.1. Discuss and adopt professional standards for our interactions with partners and professionals with whom the District interfaces.
- 4.2. Continuously review where the District's participation and level of participation optimally complies with cost-benefit criteria.
- 4.3. Be open and inviting to ways the District can maintain and improve the way it is perceived by other agencies and by the regulatory environment.

5. Organization and Workforce

Our objective is to make optimal use of the current employee base and assure that those who are employed in the future are equally competent and productive. Our strategy is to hire carefully, supervise and manage at the highest levels and employ methods that assure a top-notch and satisfied workforce for the future.

- 5.1. Address the isolation and compartmentalization tendencies in the organization
- 5.2. Conduct periodic and proper compensation studies to assess and when necessary adjust where the District exists among within the regional employment market.
- 5.3. Consider ROP and/or apprentice type programs to augment personnel resources and provide a potential source of future employees.
- 5.4. Increase job satisfaction and retention of qualified, competent employees.
- 5.5. Maintain, and where needed, improve employee professional development programs and opportunities.

6. Readiness for Large-Scale Residential Development and other Opportunities

Our objective is to assure that the District takes full advantage of all benefits that large-scale residential development projects offers those currently within the District along with future District ratepayers. Our strategy will be to make clear and deliberate policy decisions regarding what the District will require and how the District will interact with those who propose to develop and need a reliable and safe source of water in the future.

- 6.1. Clarify District position regarding the water supply in growth areas.
- 6.2. Re-evaluate the District's planning documents in the context of land use authority planning documents and policies, e.g. Rio Linda Elverta Community Plan and PF-8.
- 6.3. Remain cognizant of the need for contingency planning if/when large-scale development projects of delayed or suspended.

7. Readiness for Regulatory Shifts

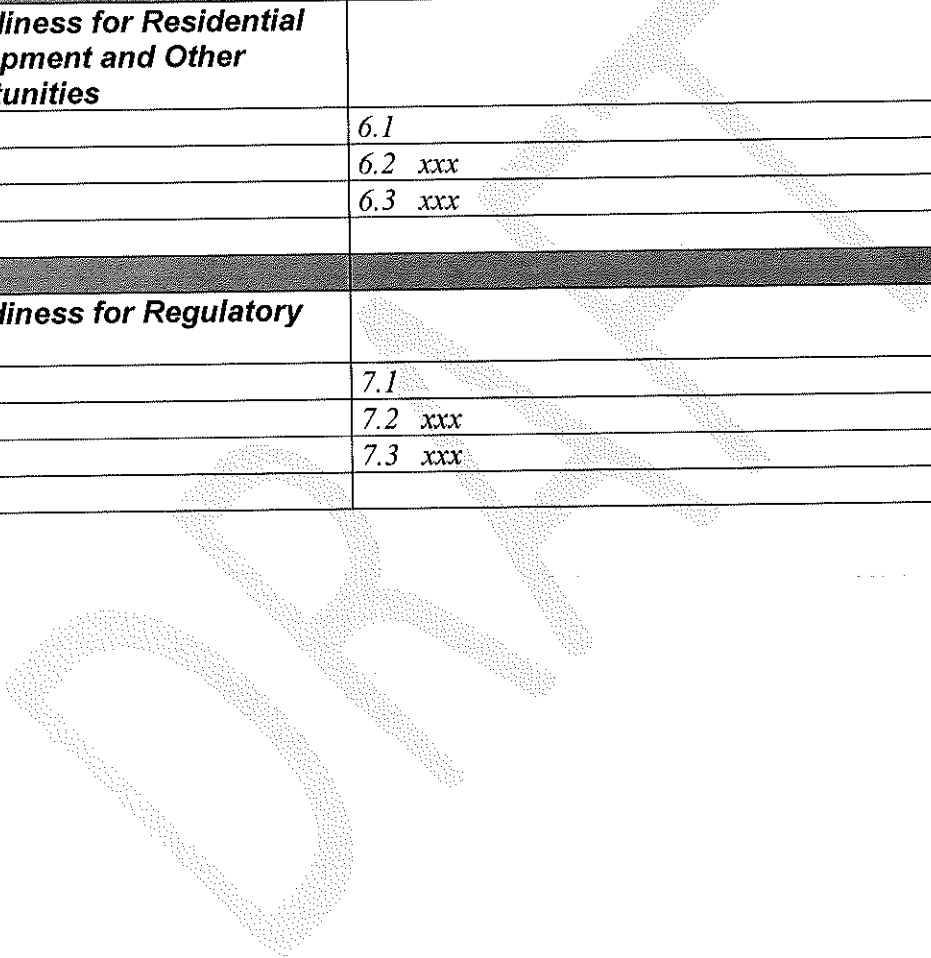
Our objective is to meet all regulations, both State and Federal, while keeping our ratepayers well informed and prepared to meet the challenges that they present. Our strategy is to get and keep leading edge knowledge of the regulations and be aware of any changes to them or any emerging through the legislative or bureaucratic systems.

- 7.1. Keeping well informed and involved with relevant emerging regulations
- 7.2. Be proactive with regulations and plan for compliance before the deadline.
- 7.3. Interact with partner agencies and professional organizations to learn for the experience and insights of other, similar agencies.
- 7.4. Guard against compartmentalization/isolation. Don't assume those who need to know do know, those who need to do have done.

Table 1 –The Strategic Plan “At a Glance”

STRATEGIC ELEMENTS	STRATEGIC GOALS	Estimated Completion Date <i>Fiscal Year Completed</i>
1. Water Sources		
	1.1	
	1.2 xxx	
	1.3 xxx	
2. Infrastructure		
	2.1	
	2.2 xxx	
	2.3 xxx	
3. Rate Adequacy and Financial Stability		
	3.1 xxx	
	3.2 xxx	
	3.3 xxx	
4. Partner Relations		
	4.1	
	4.2	
	4.3	

5. Organization and Workforce		
	5.1	
	5.2 xxx	
	5.3 xxx	
6. Readiness for Residential Development and Other Opportunities		
	6.1	
	6.2 xxx	
	6.3 xxx	
7. Readiness for Regulatory Shifts		
	7.1	
	7.2 xxx	
	7.3 xxx	





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Items for Discussion and Action Agenda Item: 5.6

Date: August 19, 2019

Subject: Authorize Board Member(s) Attendance/Participation at Rio Linda Elverta Country Faire on September 21, 2019

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommends the Board authorize attendance of all interested and available Board Members at the September 21, 2019 Rio Linda Elverta Country Faire.

Current Background and Justification:

District Policy and other relevant statutes require that the Board approve any Board Member assignments for committees and other formal assignments.

If more than a quorum of Board Members indicates their interest/availability, it may be prudent to post an agenda for Brown Act compliance, i.e. error on the side of caution.

Conclusion:

I recommend the Board authorize all interested and available Board Members attendance/participation at the September 21, 2019 Rio Linda Elverta Country Faire. If more than two Board Members indicate their intention to attend, I recommend directing staff to post/distribute a non-action, special meeting agenda.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 5.6

Date

Initial Potential Meeting Date

8/19/19

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

Consider authorizing all Board Members attendance/participation for Rio Linda Elverta Country
Faire, September 21, 2019.

8/2/19

Staff Work Completed

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

Committee Review of Item and Staff Work

8/5/19

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

Formal Legal Counsel Review

N/A

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

GM Review

8/16/19

Actual Meeting Date Set for Agenda Item

8/19/19



Items for Discussion and Action
Agenda Item: 5.7

Date: August 19, 2019

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:
N/A

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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



**Information Items
Agenda Item: 6.1**

Date: August 19, 2019

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

- a. Operations Report
- b. Conservation Report

RIO LINDA/ELVERTA C.W.D. 2019

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
35.3	31.1	35.1	46.3	66.8	97.5	
35,329,525	31,146,049	35,054,556	46,348,893	66,841,098	97,476,534	
July	August	Sept.	Oct.	Nov.	Dec.	
115.4						

115,381,642

		Monthly Total		
Gallons = Multiply M.G. by:	1,000,000	115,381,642	Gallons	427,578,297
Cubic Feet = Divide gallons by:	7.48	15,425,353	Cubic Feet	57,162,874
Hundred Cu Ft. = Divide cu. ft. by:	100	154,254	Hundred Cubic Feet	571,629
Acre Ft. = Divide gallons by:	325,829	354.12	Acre Ft.	1,312

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
2 (1)	1 (1)	2 (2)	0	3 (2)	6 (4)	
July	August	Sept.	Oct.	Nov.	Dec.	
1 (1)						

New Services

New Construction	0	0
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4637

Distribution System Failures/Repairs

Deterioration July 1 thru 31	10	33
Damaged July 1 thru 31	0	2

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	20	114
Raw Water Bacteriological Samples (at Wells)	0	23

July 1, 2019 - July 31, 2019

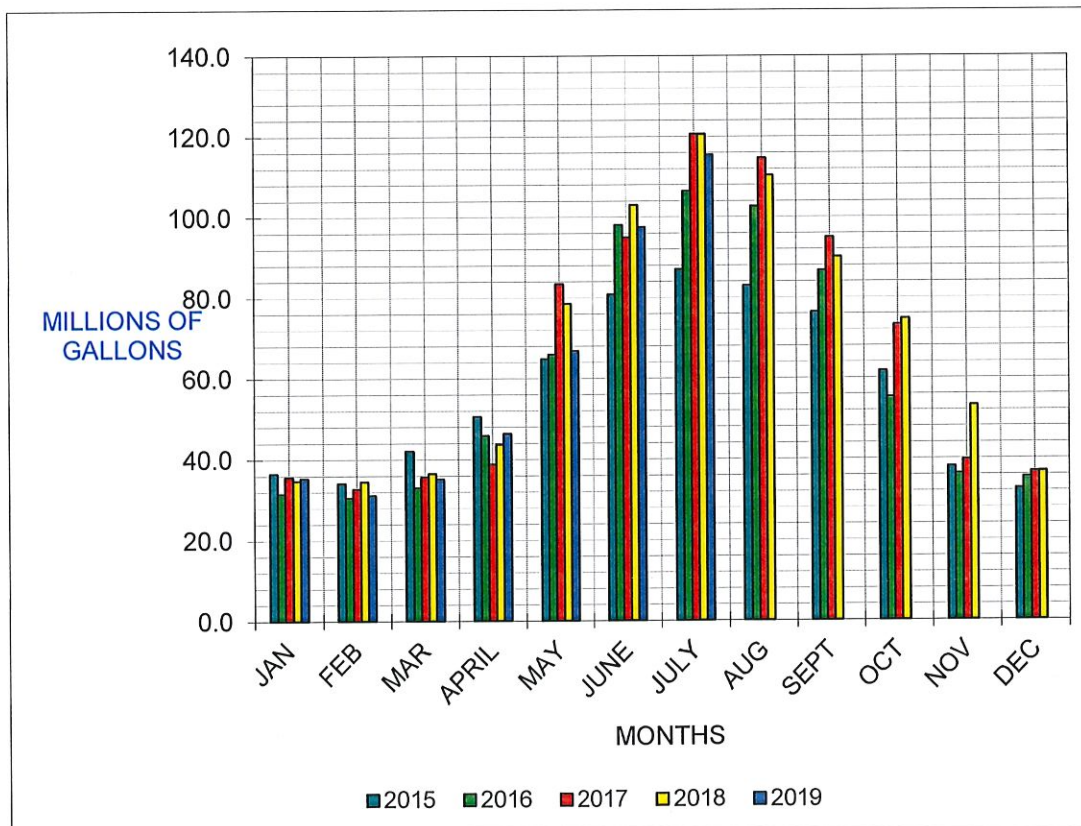
10 - Distribution leaks repaired by District staff, 0 - by Contractor or with contractor assistance.

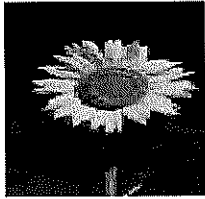
Work Orders Issued - 104	Work Orders Completed - 50	USA's Issued - 66
Change Out Meter - 60	Change Out Meter - 7	
General Complaint - 3	General Complaint - 2	
Disconnect Service - 1	Disconnect Service - 1	
Flow Test - 2	Flow Test - 2	
Get Current Read - 2	Get Current Read - 1	
Install New Service - 2	Repair/Replace Lid - 2	
Repair/Replace lid - 2	Line Leak - 3	
Line Leak - 3	Other Work - 1	
Other Work - 2	Possible Leak - 14	
Possible Leak - 11	Pressure Complaint - 2	
Pressure Complaint - 1	Pull Meter - 1	
Pull Meter - 1	Raise Existing Service - 1	
Repair - 1	Repair - 1	
Re-Read Meter - 1	Re-Read Meter - 1	
Re-Install Meter - 1	Tag Property - 10	
New Service Quote - 2	Re-Install Meter - 1	
Tag Property - 1	New Service Quote - 2	
Turn Off Service - 4	Turn Off Service - 4	
Turn On Service - 4	Turn On Service - 4	

RIO LINDA/ELVERTA C.W.D. WATER PRODUCTION

2015 \ 2019

Month	Water Production in Million Gallons						SSWD Water Purchases				
	2015	2016	2017	2018	2019	Avg.	2015	2016	2017	2018	2019
JAN	36.5	31.5	35.6	34.8	35.3	34.7	0.0	0.0	0.0	0.0	0.0
FEB	34.1	30.5	32.7	34.5	31.1	32.6	0.0	0.0	0.0	0.0	0.0
MAR	42.0	33.0	35.6	36.5	35.1	36.4	0.0	0.0	0.0	0.0	0.0
APRIL	50.5	45.8	38.8	43.7	46.3	45.0	0.0	0.0	0.0	0.0	0.0
MAY	64.8	65.9	83.4	78.5	66.8	71.9	0.0	0.0	0.0	0.0	0.0
JUNE	80.8	98.0	94.9	102.9	97.5	94.8	0.0	0.0	0.0	0.0	0.0
JULY	87.0	106.4	120.5	120.5	115.4	110.0	0.0	0.0	0.0	0.0	0.0
AUG	83.0	102.6	114.6	110.3		102.6	0.0	0.0	0.0	0.0	
SEPT	76.4	86.7	94.9	90.1		87.0	0.0	0.0	0.0	0.0	
OCT	61.7	55.2	73.2	74.7		66.2	0.0	0.0	0.0	0.0	
NOV	38.0	36.3	39.7	53.1		41.8	0.0	0.0	0.0	0.0	
DEC	32.5	35.4	36.7	36.8		35.4	0.0	0.0	0.0	0.0	
TOTAL	687.3	727.3	800.6	816.4	427.5	757.9	0.0	0.0	0.0	0.0	0.0



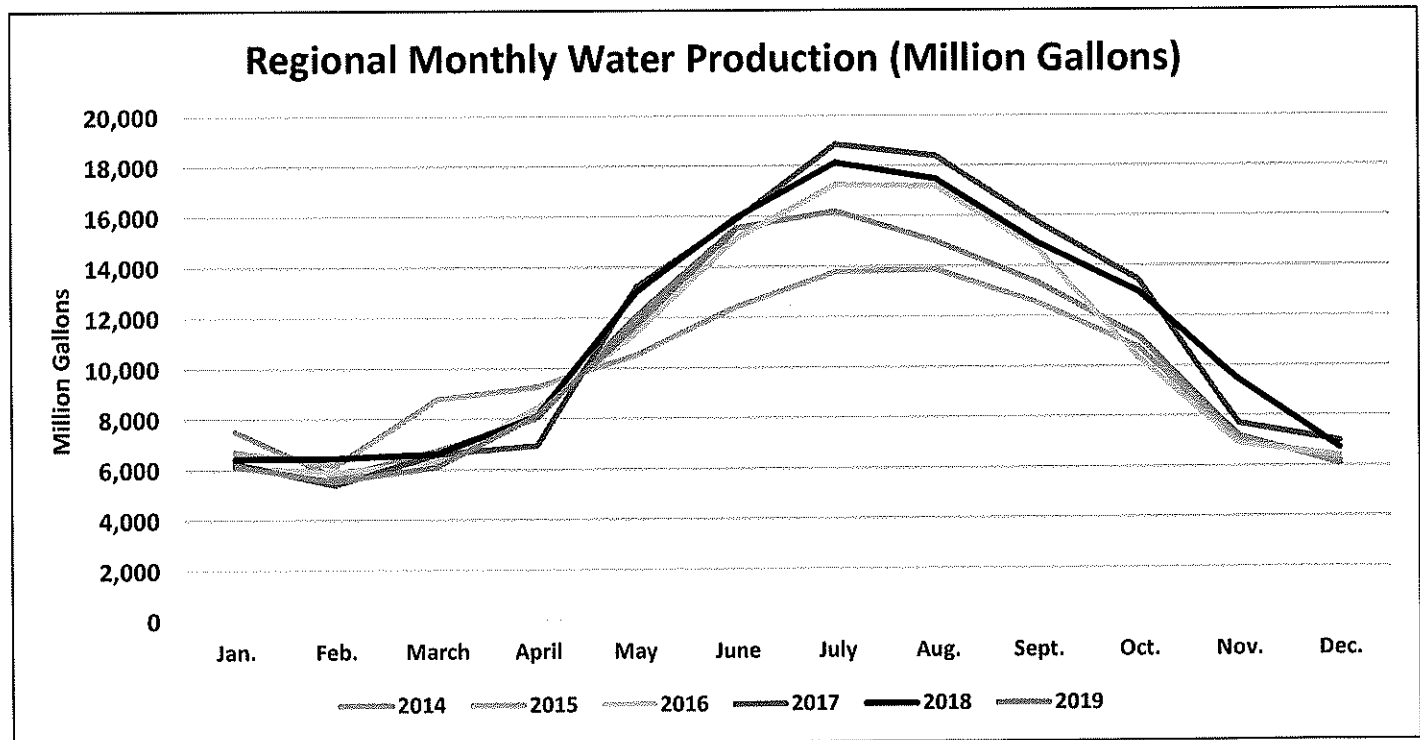
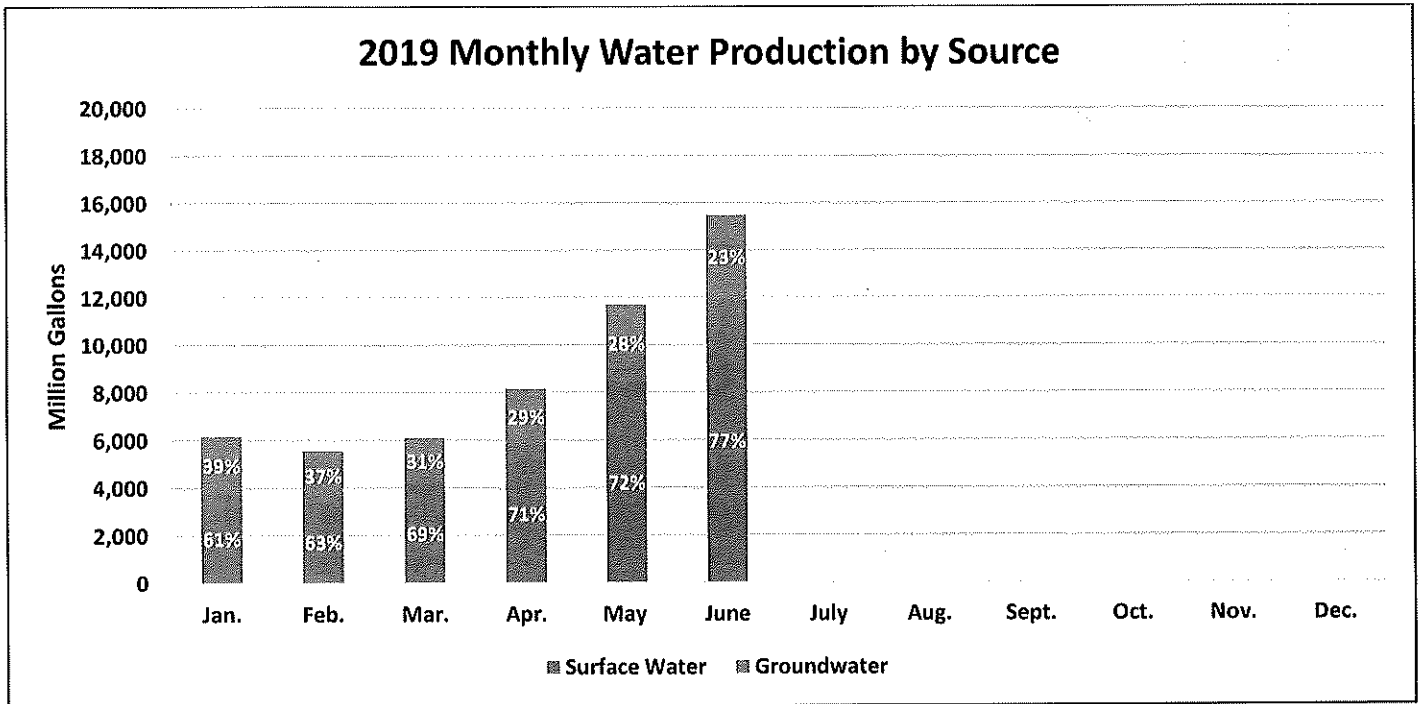


Conservation Report July 2019

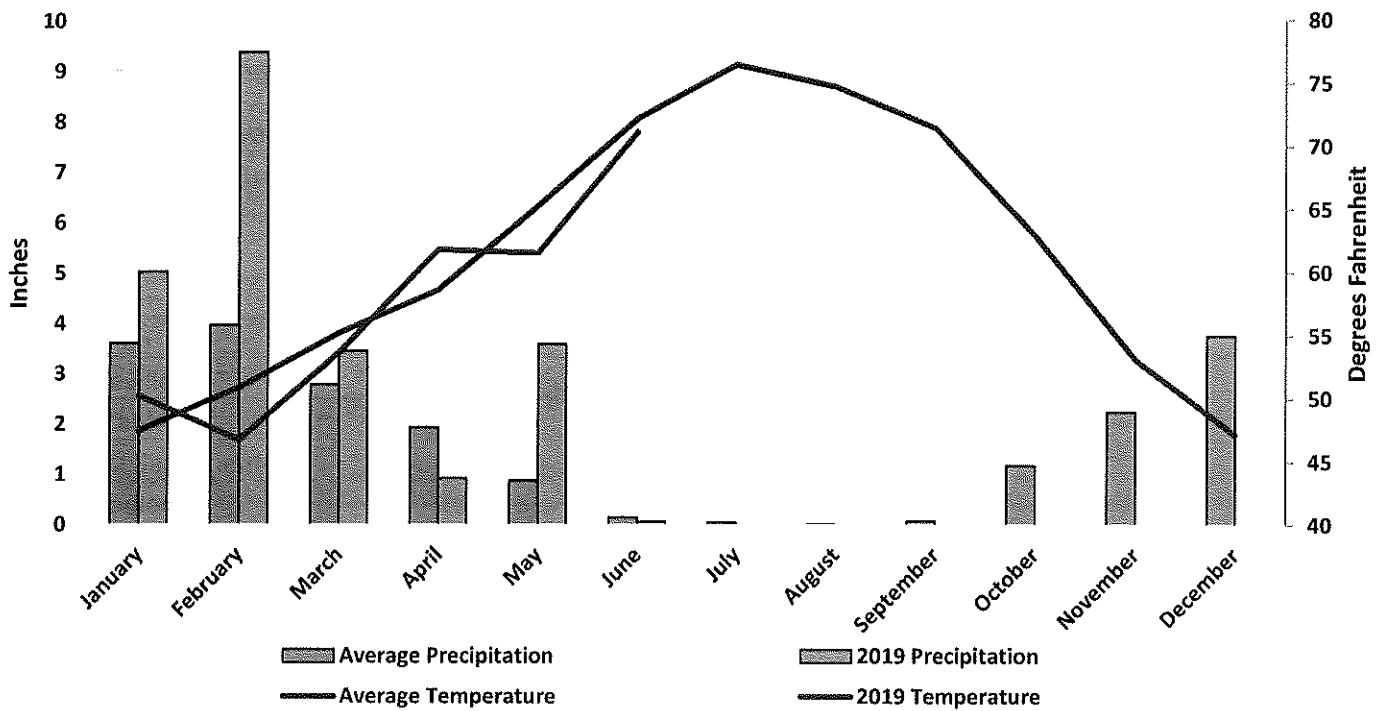


Supplies (kits):	Shower heads (1) Kitchen Aerators (0) Bathroom Aerators (1) Shower Timer (0) Nozzle (0) Toilet Tabs (2) Moisture Meters (0) Water Bottles (0) Toilet Tummy (0) Retro-Fit Kits (1) Welcome Kits (0) Kids Kit (0)
Water Waste (calls, emails, letter, leaks detected/fixed):	1 water waste call 10 contacts about possible leaks using the AMI system - 3 were called, 4 were mailed, 3 were email 1 Conservation kits given and 1 additional dye tablets 3 was confirmed resolved as of 7/31/19
Water Schedule:	Given to customer with all violation letters and new applications
Surveys:	0
Rebates:	Toilets: 0 Washing Machines: 0
Workshops, Webinar, Meetings:	N/A
Fines:	NONE
Other Tasks:	<ul style="list-style-type: none">● Assisted with payments and new customers● Printed stamps● Closed accounts and final billed customers● Created/completed work orders● Scanned and uploaded documents into UMS● Mailed out application requests to new owners● Entered ACH Forms into UMS● Processed payments● Rereads● Created Newsletter for the 7/20/19 billing cycle● Assist with installing the new card swipe
Grant Updates:	<ul style="list-style-type: none">● None

2019 Monthly Water Production by Source (Million Gallons)													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
SW	4,200	3,863	4,197	5,830	8,446	11,955	0	0	0	0	0	0	38,491
GW	1,974	1,696	1,918	2,333	3,275	3,541	0	0	0	0	0	0	14,737
Total	6,173	5,559	6,115	8,163	11,721	15,496	0	0	0	0	0	0	53,228



Precipitation and Temperature, Average (1998-2018) and 2019



Water Agency	2019 Residential Gallons Per Capita Per Day (R-GPCD)											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
California American Water	61	59	57	76	92	120						
Carmichael Water District	84	80	82	121	173	229						
Citrus Heights Water District	76	72	75	103	147	200						
City of Davis	47	54	58	84	96	123						
City of Folsom	82	69	73	108	157	206						
City of Lincoln	72	61	54	83	119	187						
City of Roseville	62	62	52	67	115	142						
City of Sacramento	53	62	70	78	93	123						
City of West Sacramento	73	58	60	73	93	131						
City of Woodland	48	51	41	53	81	95						
City of Yuba City	68	67	69	85	111	141						
El Dorado Irrigation District	92	85	87	107	161	269						
Elk Grove Water District	52	55	56	73	104	127						
Fair Oaks Water District	75	69	74	119	181	254						
Golden State Water Company	79	73	76	96	139	193						
Orange Vale Water Company	80	79	82	NR	NR	NR						
Placer County Water Agency	67	62	79	108	134	183						
Rancho Murieta CSD	83	79	64	105	174	248						
Rio Linda/Elverta CWD	75	73	72	98	134	201						
Sacramento County Water Agency	78	73	77	95	127	168						
Sacramento Suburban WD	63	52	52	80	117	130						
San Juan Water District	NR	NR	NR	NR	NR	NR						
Sacramento Regional Average	65	65	67	87	119	159						

NR=Not Reported. San Juan Water District's production and R-GPCD are estimated using 2017 data for regional consistency.



Information Items Agenda Item: 6.2

Date: August 19, 2019

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

2. BOARD REPORTS

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

**SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

89

Thursday, August 8, 2019; 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

Agenda

The Board will discuss all items on this agenda, and may take action on any of those items, including information items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this agenda.

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

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENT: Members of the public who wish to address the Board may do so at this time. Please keep your comments to less than three minutes.

3. CONSENT CALENDAR

Minutes of June 13, 2019 meeting

Action: Approve June 13, 2019 meeting minutes

4. SUSTAINABLE GROUNDWATER MANAGEMENT ACT AND GROUNDWATER SUSTAINABILITY PLAN DEVELOPMENT UPDATE

Information Update: Rob Swartz, Manager of Technical Services

5. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Update: Rob Swartz, Manager of Technical Services

6. EXECUTIVE DIRECTOR'S REPORT

7. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – October 10, 2019, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

Notification will be emailed when the SGA electronic packet is complete and posted on the SGA website at <http://www.sgah2o.org/meetings/board-meetings/>

Sacramento Groundwater Authority Board Meeting
August 8, 2019

AGENDA ITEM 3: CONSENT CALENDAR

STAFF RECOMMENDATION:

Action: Approve June 13, 2019 meeting minutes

Executive Committee Meeting Minutes

August 5, 2019

90

Committee Chair Mary Harris opened the meeting at 6:04 PM.

Attendees: Director Jason Green, Director Mary Harris, District Engineer Mike Vasquez and District General Manager Mr. Tim Shaw were present. Public attendees included Ron Hyce and his real estate agent, attorney Jack Nolan

Public Comment. *Jack Nolan and Director Mary Harris exchanged greetings. Mr. Nolan explained that he and Mr. Hyce were at the Executive Committee meeting to request a Board meeting agenda item. The agenda item requested by Mr. Nolan entails the repeated request from Mr. Hyce to sell his capacity in the drinking water system, such capacity was conveyed to Mr. Hyce in exchange for an easement granted by Mr. Hyce in 1991. The terms are documented in a fully executed agreement. Mr. Nolan explained that he believes the prior considerations by the Board were unclear. Director Harris deferred to the General Manager. The General Manager explained that Mr. Hyce has made the same request to the Board many times since 1991. Each time the Board's ruling was the same, the entitlement is not transferable. The General Manager referred to the March 2019 letter to Mr. Hyce detailing the relevant facts and history. Mary Harris suggested an agenda item be placed on the August 19th Board agenda. Mr. Nolan responded he was unavailable. Mary Harris suggested the September 16th agenda, for which Mr. Nolan is available. Jason Green concurred.*

Agenda Items

1. Review and discuss the expenditures of the District for the Month of June 2019.
 - *The June expenditures report was forwarded to the August 19th Board agenda with the Executive Committee's recommendation for approval.*
2. Review and discuss the financial reports for the Month of June 2019.
 - *Director Harris inquired about the Excellence in Financial Reporting press release included with financials. Director Harris wanted to know if the Comprehensive Annual Financial Report (CAFR) was a legal or statutory requirement. The General Manager confirmed is not. Director Harris requested the annual cost for preparing and reviewing the CAFR, which is the subject of the press release. The General Manager estimated around \$425. Director Harris suggested the District could save some ratepayer dollars by reducing the frequency of the CAFR, and the review thereof, to once every 5-years.*
The June financials report was forwarded to the August 19th Board agenda with the Executive Committee's recommendation for approval.
3. Review and discuss the fiscal year 2019/2020 final budget.
 - *Director Harris requested some minor changes to the orientation of the org chart included in the budget. Directors Green and Harris requested a few clarifications, which were sufficiently addressed by the General Manager. The Executive Committee forwarded the item onto the August 19th Board agenda with a recommendation for Board approval.*
4. Discuss the Board authorization for the appointed Board Members to attend all ACWA conferences.
 - *The Executive Committee discussed the typical costs and benefits from attending the out of town ACWA conferences (e.g. San Diego and Monterey). The Committee further discussed the prior action*

by the Board to authorize attendance by the appointed Director for all ACWA meetings. The Committee conjectured that substantial reduction in cost without a similar reduction in benefit may be attained by amending the authorization to include only meetings held in Sacramento. The Executive Committee forwarded an item onto the August 19th Board agenda to have the Board consider amending its prior blanket authorization for attending all ACWA meetings. The Committee recommends the Board retract the blanket authorized attendance to only meetings held in Sacramento, with out of town ACWA meeting attendance to be considered on a case by case basis.

5. Discuss the strategies and changes necessary for complying with SB-606 minimum water use efficiency, i.e. means/methods to attain target gallons per day per capita.
 - *The Executive Committee discussed the staff report and material included with this item. The discussion included the requirements of SB-606, penalties for non-compliance, and the ideals for allocation block rates intended by the legislature in adopting the new law. The committee further discussed the next steps for RLECWD compliance, and impediments from the percentage of fixed price in the current rate structure. The General Manager recommends the Board begin a thorough process for selecting and engaging a rates study consultant to provide that the rate study consultant's experience and interests are closely aligned with the District's needs. The Executive Committee directed the General Manager to place an item on the September 3rd Executive Committee agenda to discuss a rate study consultant Request for Proposals (RFP) and/or Request for Qualifications (RFQ).*
6. Review and discuss the next steps for adopting the RLECWD Strategic Plan.
 - *The Executive Committee reviewed the draft Strategic Plan, the challenges for finalizing the Strategic Plan following the resignation of 3 Board Members, and the consequences for requesting additional work by the consultant engaged in the beginning of the planning process. The Executive Committee commented that the existing draft is a good product, and further confirmed their concurrence that additional charges from the consultant are unappealing. Regardless, it is unreasonable to ask 3 new Board Members to approve a plan without providing opportunity for discussion and input. An additional Board workshop would be preferred, but a short-term, low-cost workshop facilitator is desired. The Executive Committee forwarded the item onto the August 19th Board agenda for discussion and action (if appropriate).*
7. Discuss the upcoming (September) decision by the Board on the amount of Opus Bank loan to withdraw for Hexavalent Chromium mitigation.
 - *The Executive Committee discussed the staff report and was further updated by the General Manager, who conveyed that DWR has authorized reallocating the previous grant award for Well #10 to the Well #16 project. Accordingly, the Executive Committee concurs with the General Managers recommendation to authorize only the amount needed to complete the Well#16 project. For example; if the Well #16 project is estimated to cost \$3.5 million, then draw \$3 million from the Opus Bank loan and couple that with the \$500K grant. The committee forwarded the item onto the August 19th Board agenda with their recommendation as described here.*
8. Discuss the annual performance review process for the General Manager.
 - *The Executive Committee forwarded the annual performance review onto the August 19th Board agenda, closed session.*
9. Discuss the annual Rio Linda Elverta Country Fair, September 21, 2019.
 - *The Executive Committee forwarded the item onto the August 19th Board agenda with the Committee's recommendation for Board authorization for all Board Members to participate in the Country Faire on September 21st.*
10. Engineer's update on projects underway and planned.

- *Mike Vasquez delivered his report. Director Harris commented on the excellent work being performed by Mr. Vasquez.*

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Other items.

The September 3, 2019 Executive Committee meeting will be held at Sacramento Metro Fire Station 111 on Rio Linda Blvd. Staff anticipates continued discussion on updates to fees, e.g. fee for insufficient funds (bounced check) and further discussion on outsourcing the printing, folding, stuffing and mailing of bills.

The meeting was adjourned at 7: 44 PM



**PENDING AND COMPLETED ITEMS
8-19-2019 BOARD OF DIRECTORS MEETING**

1. **Credit/Debit Card processing service provider:** The District completed the transition to Stripe as our credit/debit card processor. **Completed**
2. **Strategic Planning:** I completed the draft of the RLECWD Strategic Plan and the document and adopting process was discussed at the August 5th Executive Committee. The key issues limiting adoption of the plan are the substantial turnover of Board Members and the relative value for an additional workshop to receive feedback from the new Board Members, which in turn leads to consideration of a facilitator for such a workshop. This item is on the 8-19-2019 Board agenda for discussion and possible action. **Pending**
3. **Disposition of the District assets recently declared as surplus by the Board:** Recently designated surplus assets are on the Public Surplus website. The online auction will close the day after the 8-19-2019 Board meeting **Pending**
4. **Update the District's Capital Improvement Projects List.** With other pressing matters demanding the attention of the August 5th Executive there was very little discussion on the projects list. **Pending**
5. **Transitioning from California Bank and Trust to Umpqua:** The current scheduled transition date is September 1st. Staff has diligently been coordinating with Umpqua to cross all t's and dot all i's **Pending**
6. **First Backup of the SCADA data since June 2017.** Adept Solutions installed and configured the necessary hardware. The first backup evolution was completed on August 5th. **Completed.**
7. **Fill the vacancy (again) in Distribution System Operator.** The recently hired employee submitted his letter of resignation on August 2nd. The next applicant on the eligibility list signed a conditional letter of employment on August 9th. We are waiting for the results of the background check and drug screen to enable the first day of employment. **Pending.**
8. **SB-998 Implementation.** Staff is coordinating with other water agencies in our region to share best practices and policies for the new requirements for termination of water services. Tangibly staff is evaluating options on outsourcing of bill printing, folding, stuffing and mailing to free up person-hours that will be expended on the termination of service process. **Pending**
9. **SB-606 and AB-1668 planning for compliance-** The current rate structure, with high fixed price percentage, limited monetary incentive for conservation, and no distinction/address of indoor water use vs. outdoor water use needs to be studied. The Executive Committee discussed the issues on August 5th and will continue their discussion at the September 3rd meeting at Sac Metro Fire Station 111. **Pending**



Agenda Item: 7

Date: August 19, 2019

Subject: Public Comment for Closed Session

Staff Contact: Timothy R. Shaw, General Manager

7. PUBLIC COMMENT FOR CLOSED SESSION

Public comment for closed session items only. The public is invited to comment on any item listed on the closed session agenda. Each speaker is limited to 2 minutes.



**Closed Session
Agenda Item: 8**

Date: August 19, 2019

Subject: Closed Session

Staff Contact: Timothy R. Shaw, General Manager

8. **CLOSED SESSION** - The Board of Directors will convene to Closed Session to discuss the following item.

1. **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.



**Reconvene Open Session
Agenda Item: 9.1**

Date: August 19, 2019

Subject: Report of Action Taken in Closed Session

Staff Contact: Timothy R. Shaw, General Manager

9.1 Report of Action Taken in Closed Session

The Board will disclose any reportable actions taken and/or directed in closed session.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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