

Rio Linda / Elverta Community Water District

RESOLUTION NO. 2012-01

**A RESOLUTION APPROVING THE
LABOR COMPLIANCE ANNUAL REPORT TO
DEPARTMENT OF INDUSTRIAL RELATIONS**

WHEREAS; The LCP is a requirement by the Department of Water Resources (DWR) as a condition of Prop 50 grant program that provided funding for the project. The LCP was provided through contractual agreement with Kurey & Associates, who implements the program on behalf of the District.

WHEREAS; Assembly Bill 1506 states the District is required to submit an annual Labor Compliance Report for approval to the Department of Industrial Relation.

WHEREAS; The annual report submitted to the Department of Industrial Relations was prepared by Kurey & Associates and a copy of this report is available at the District office.

FISCAL IMPACT; None

NOW THEREFORE, BE IT RESOLVED; That the Rio Linda / Elverta Community Water District approve the Labor Compliance Annual Report to the Department of Industrial Relations.

PASSED AND ADOPTED on this 9th day of January 2012, by the following vote: 5-0-0

AYES: Trautman, Hood, Johnson, Frank Caron and Courtney Caron

NOES: None

ABSENT: None

ABSTAIN: None

Gerald Trautman, Jr., President

Attest:

Mary Henrici, Secretary to the Board

RESOLUTION NO. 2012-02

**A RESOLUTION CALLING THE
2012 GENERAL DISTRICT ELECTION**

WHEREAS, AN ELECTION WILL BE HELD WITHIN THE RIO Linda / Elverta Community Water District on November 6, 2012 for the purpose of electing four directors, for 3 four (4) year terms and 1 short two (2) year term; and

WHEREAS, a statewide general election will be held within the County of Sacramento on the same date; and

WHEREAS, Election Code § 10403 required jurisdictions to file with the Board of Supervisors, and a copy with the Registrar of Voters, a resolution requesting consolidation with a statewide election.

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

1. The District hereby requests the Board of Supervisors of Sacramento County to consolidate the regularly scheduled General District Election with the statewide election to be held November 6, 2012.
2. The Election notice shall be combined with all other Special Districts for publication purposes.
3. Candidates for Director at said election are to prepay the District for the publication of the candidate's statement, pursuant to Election Code §13307.
4. The limitation on the number of words that a candidate may use in his or her candidate's statement shall be 200 words.
5. The District hereby agrees to reimburse the Registrar of Voters for actual costs accrued, such costs to be calculated by the method set forth in the County's current Election Cost Allocation Procedures.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda/Elverta Community Water District on this 22nd day of February 2012.

AYES, in favor hereof: Trautman, Hood, Johnson, Frank Caron and Courtney Caron

NOES: None
ABSTAIN: None
ABSENT: None

Jerry Trautman,
President Board of Directors

Respectfully Submitted,

Mary Henrici,
Secretary of the Board of Directors

RESOLUTION NO. 2012-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA
ELVERTA COMMUNITY WATER DISTRICT AMENDING THE RIO LINDA
ELVERTA COMMUNITY WATER DISTRICT CONFLICT OF INTEREST CODE**

WHEREAS, on August 13, 2012, the Board of Directors adopted Resolution 2012-03, adopting a Conflict of Interest Code incorporating Title 2 of the California Code of Regulations Section 18730, containing the terms of the standard model conflict of interest code and any amendments made thereto; and

WHEREAS, the Conflict of Interest Code was amended by Board Resolution on August 13, 2012; and

WHEREAS, as a result of the review mandated by Government Code Section 87306.5 it has been determined that the list of designated positions appended thereto should be revised.

THEREFORE, BE IT RESOLVED, that the Rio Linda / Elverta Community Water District as follows:

1. That all previous Resolution 1996-09-04 adopting and amending the District's Conflict of Interest Code are hereby repealed;
2. The attached Conflict of Interest Code (Exhibit "A") is adopted and will become effective upon approval by the County of Sacramento.

APPROVED by Rio Linda/Elverta Community Water District Board of Directors on this 13th day of August 2012.

By the following vote: 4-1-0

AYES: F. Caron, C. Caron, Hood and Johnson

NAYS: Trautman

ABSTAIN: None

ABSENT: None

Signature on File

Jerry Trautman,
President Board of Directors

ATTEST:

APPROVED AS TO FORM:

Signature on File

Mary Henrici,
Secretary of the Board of Directors

Signature on File

Ravi Mehta,
General Counsel

RESOLUTION 2012-04

**A RESOLUTION OF THE
RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
FOR EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has the authority to implement Government Code Section § 20691;

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has a written memorandum of understanding which specifically provides for the amount of member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement Section § 20691 is the adoption by the governing body of the Rio Linda / Elverta Community Water District of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has identified the following conditions for the purpose of its election to pay EPMC.

- This benefit shall apply to all employees of the local miscellaneous employees group.
- This benefit shall consist of paying 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be 11/1/09 – 11/30/11.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Rio Linda / Elverta Community Water District elects to pay EPMC, as set forth above.

ADOPTED, SIGNED AND APPROVED the 22nd day of February, 2012.

Ayes: 5-0-0, Trautman, Hood, Johnson, Frank Caron and Courtney Caron

Noes: NONE

Absent: NONE

Abstain: NONE

Gerald H. Trautman, Jr.
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

RESOLUTION 2012-05

**A RESOLUTION OF THE
RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
FOR EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has the authority to implement Government Code Section § 20691;

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has a written memorandum of understanding which specifically provides for the member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement Section § 20691 is the adoption by the governing body of the Rio Linda / Elverta Community Water District of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has identified the following conditions for the purpose of its election to pay EPMC.

- This benefit shall apply to all employees of the local miscellaneous employees group.
- This benefit shall consist of paying 3.5% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be 12-1-11.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Rio Linda / Elverta Community Water District elects to pay EPMC, as set forth above.

ADOPTED, SIGNED AND APPROVED the 22nd day of February, 2012.

Ayes: 5-0-0, Trautman, Hood, Johnson, Frank Caron and Courtney Caron

Noes: NONE

Absent: NONE

Abstain: NONE

Gerald H. Trautman, Jr.
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

RESOLUTION 2012-06

**AMENDING THE POLICY MANUAL
TO REVISE POLICY 2.05.200 – GENERAL COUNSEL**

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has the authority to implement Government Code Section § 53060;

WHEREAS, the governing body of the Rio Linda / Elverta Community Water District has a written policy or agreement which specifically provides for Duties of Counsel;

WHEREAS, one of the steps in the procedures to revise Section § 53060 is the adoption by the governing body of the Rio Linda / Elverta Community Water District of a Resolution to commence said revisions to Policy 2.05.200;

WHEREAS, the governing body of the Rio Linda / Elverta Community Water district has identified the following conditions for the purpose of its revision to Policy 2.05.200.

At the request of either the General Manager or the Board of Directors- District Counsel

- a) Shall provide legal advice to the Board and other officers of the District.
- b) Shall represent the District in legal matters before the courts.
- c) Shall perform such other duties as appropriately requested by the Board or the General Manager.
- d) Shall review contracts and Ordinances of the District prior to approval of the Board.
- e) May, and when requested shall, attend meetings of the Board and its committees.
- f) Upon receipt of an inquiry from a member of the Board regarding District matters (exclusive of matters personal to the Director) shall respond in writing to the entire Board with a copy to the General Manager.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Rio Linda / Elverta Community Water District elects to revise Policy 2.05.200, as set forth above.

ADOPTED, SIGNED AND APPROVED this 16th day of April, 2012.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mary Henrici
Secretary to the Board

Gerald H. Trautman, Jr.
President of the Board

Rio Linda / Elverta Community Water District

RESOLUTION 2012-07

**AMENDING SEC. 2.01.170 OF THE ADMINISTRATIVE AND PERSONNEL
REGULATIONS TO CHANGE THE FORM OF ACTION**

WHEREAS, It has been determined that the current method of amending the Policy manual is cumbersome; and

WHEREAS, It has been determined the current process of amending the Policy manual has not kept the Policy manual up to date.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section 2.01.170 of the District Policies (Title 2 Administration and Personnel) is hereby amended to read in its entirety as follows:

2.01.170 Form of Action. The Board may act through the enactment of an Ordinance whenever appropriate. A minute order, Resolution or Ordinance may amend, repeal or otherwise modify the Policy Manual after Board approval of the revision to the Policy Manual.

Passed and adopted this 18th day of June 2012 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Gerald H. Trautman, Jr.
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

Resolution 2012-08

**AMENDING SEC. 2.01.110 OF THE ADMINISTRATIVE AND PERSONNEL
REGULATIONS TO CHANGE THE REGULAR MEETING DAYS**

WHEREAS, in an effort to provide consistency with other agencies in holding public meetings in Rio Linda on Mondays of each week; and

WHEREAS, the Board of Directors wishes to maintain its regular meeting date of the third Monday of each month but needs to designate another day when the third Monday is a holiday.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section 2.01.110 of the District Policies (Title 2 Administration and Personnel) is hereby amended to read in its entirety as follows:

2.01.110 Regular Meetings. The regular meeting of the Board of Directors shall be held on the third Monday of each month, except when the third Monday is a District holiday, in which case the regular meeting shall be held on the second Monday of the month. Meetings shall commence at 6:30 p.m. unless otherwise noticed and shall be held at the Visitor Center located at 6730 Front Street, Rio Linda or other location within the District.

BE IT FURTHER RESOLVED, that this resolution hereby repeals Resolution No. 2011-06 and 2010-02 in their entirety.

Passed and Adopted this 21st day of May 2012 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Jerry Trautman
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

RESOLUTION NO. 2012-09

**RESOLUTION CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF THE ACWA
JOINT POWERS INSURANCE AUTHORITY, RATIFYING THE ACTION OF THE ACWA
HEALTH BENEFITS AUTHORITY BOARD OF DIRECTORS TO TERMINATE THE HEALTH
BENEFITS AUTHORITY JOINT POWERS AGREEMENT, AND AUTHORIZING AND
DIRECTING THE RIO LINDA/ELVERTA COMMUNITY WD TO EXECUTE ALL NECESSARY
DOCUMENTS**

WHEREAS, this Agency entered into a joint exercise of powers agreement ("HBA Agreement") with the Association of California Water Agencies Health Benefits Authority ("HBA") in order to pool its purchasing needs with other public agencies desiring to provide their employees with comprehensive and economical health and welfare benefits; and

WHEREAS, this Agency entered into a Health Benefits Memorandum of Understanding ("MOU") to enroll in specific health programs and ancillary programs ("Existing Employee Benefits Coverage") offered by HBA and agreed to abide by: (1) the HBA Agreement; (2) all rules and procedures established by HBA in the administration of the Agency's Existing Employee Benefits Coverage; and (3) all underwriting, eligibility, and contribution requirements in Appendix A to the MOU; and

WHEREAS, this Agency entered into a joint exercise of powers agreement ("JPIA Agreement") with the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA") in order to pool its purchasing needs with other public agencies desiring to obtain comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, or property coverage; and

WHEREAS, JPIA is both qualified and authorized by the laws of the State of California to administer the Existing Employee Benefits Coverage to this Agency through JPIA's Employee Benefits Program; and

WHEREAS, during a noticed special meeting held on February 6, 2012, the HBA Board of Directors unanimously voted to transfer all HBA operations and administrative functions to JPIA on or about July 1, 2012, and to pursue a merger of the two public agencies after which the HBA Agreement would be terminated; and

WHEREAS, pursuant to Article 22 of the HBA Agreement, the HBA Agreement may be terminated by the HBA Board of Directors subject to ratification by the written consent of three-fourths of the HBA Member agencies within 90 days of the HBA Board's action, provided, however, that HBA and the HBA Agreement shall continue to exist for the purpose of concluding all functions necessary to wind up HBA's affairs; and

WHEREAS, during a noticed regular meeting held on March 28, 2012, the HBA Board of Directors approved HBA Resolution 12-03-02: (1) electing to terminate the HBA Agreement pursuant to Article 22 of the HBA Agreement and, except as provided in clause 2 below, said termination shall become effective upon ratification by the written consent of three-fourths of the HBA member districts and agencies; (2) recognizing that pursuant to Article 22 of the HBA Agreement, HBA and the HBA Agreement shall continue to exist for the purpose of winding up and dissolving the business affairs of HBA, and acknowledge that the HBA Board of Directors is vested with all powers of HBA for doing the same; and (3) declaring that Resolution 12-03-02 shall take effect on April 1, 2012, thereby beginning the 90-day ratification period.

NOW, THEREFORE, BE IT RESOLVED that the Directors of Rio Linda/Elverta Community WD hereby:

1. Agree that the HBA Memorandum of Understanding referred to in the recitals above is incorporated in this resolution by reference.
2. Consent to join JPIA's Employee Benefits Program and acknowledge, represent, and agree that all terms and conditions of the HBA Memorandum of Understanding apply to the provision of this Agency's Existing Employee Benefits Coverage through JPIA.
3. Authorize and direct this Agency's Rio Linda/Elverta to cooperate fully with HBA and JPIA in the execution of any other documents and in the completion of any additional actions that may be necessary or appropriate for the purpose of ensuring that this Agency's Existing Employee Benefits Coverage continues without lapse through JPIA.
4. Ratify the action of the HBA Board of Directors to terminate the HBA Agreement, to be effective as provided in Article 22 of the HBA Agreement.
5. Direct the Secretary of the Board of this Agency to immediately send a certified copy of this resolution to: Association of California Water Agencies Health Benefits Authority, 4600 Northgate Blvd, Suite 100, Sacramento, California, 95834.

PASSED AND ADOPTED by the Directors of Rio Linda/Elverta Community WD this 29th day of April, 2012, by the following vote:



President, Gerald H. Trautman

Attest by: Mary Henrici

Rio Linda / Elverta Community Water District

Resolution 2012-10

AMENDING SEC. 1.01.060 OF THE ADMINISTRATIVE AND PERSONNEL REGULATIONS TO CHANGE THE ADOPTION/AMENDMENT OF POLICIES.

WHEREAS, The District's policy manual currently allows consideration of adopting, amending, and repealing District policy only at a regular meeting of the Board; and

WHEREAS, The District's policy manual currently only allows the adoption of a policy at a regular meeting of the Board of Directors.

WHEREAS, It has been determined the conduct of policy manual discussions should be allowed at all meetings of the Board of Directors.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section **1.01.060** of the District Policies (Title 1 General Provisions) is hereby amended to read in its entirety as follows:

1.01.060 Adoption/Amendment of Policies. Consideration by the Board of Directors to adopt a new policy or to amend or repeal an existing policy may be initiated by submitting a written draft of the proposed action to the General Manager, the Board Secretary, or the Board President, and requesting that the item be included for consideration on the agenda at the next Board meeting.

Adoption of a new policy, or the repeal or amendment of an existing policy shall be accomplished at a Board meeting and shall require a majority affirmative vote of the entire Board.

Before considering any policy action, copies of the proposed action and associated documents shall be included in the agenda information packet distributed to Directors and made available to the public at least three (3) days prior to any meeting at which the action(s) are to be considered.

Notwithstanding the preceding sentence, the Board may add items to its agenda to consider a policy action if such action complies with the Ralph M. Brown Act (*Government Code* §54950 *et seq.*)

Passed and Adopted this 21st Day of May 2012 by the following vote: 3-2-0

Ayes: Directors' Gerald H. Trautman, Jr., Frank Caron and Courtney Caron

Noes: Directors' Vivien Johnson and Cathy Hood

Absent: None

Abstain: None

Gerald H. Trautman, Jr.
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

RESOLUTION 2012-11

**AMENDING SEC. 2.15.50 OF THE ADMINISTRATIVE AND PERSONNEL
SECTION OF THE DISTRICT MANUAL
UPDATING STAFF CLASSIFICATION PLAN**

WHEREAS, It has been determined that the District's current classification plan is outdated; and

WHEREAS, Per section 2.15.50 of the policy manual the classification plan may be amended from time-to-time only as recommended by the General Manager and approved by Resolution by the Board of Directors.

WHEREAS, The General Manager has amended the classification plan duties for each staff member which are attached as Exhibit A. These job duties were approved by the Board of Directors on May 21, 2012.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section 2.15.50 of the District Policies (Title 2 Administration and Personnel) is hereby amended and will be incorporated into the District's Policy Manual and become effective immediately upon approval of this Resolution.

Passed and adopted this 18th day of June 2012 by the following vote: 5-0-0

Ayes: Directors' Trautman, Frank Caron, Courtney Caron, Hood and Johnson

Noes: None

Absent: None

Abstain: None

Signature on File _____
Gerald H. Trautman, Jr.
President, Board of Directors

Attest:

Signature on File _____
Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

Resolution 2012-12

CREATING SEC. 3.09.140 DISTRICT INVESTMENT POLICY, 3.09.150 OPERATING AND RESERVE POLICY AND 3.09.160 WHISTLEBLOWER POLICY OF TITLE 3 FINANCE OF THE DISTRICT POLICY MANUAL

WHEREAS, In the 2009-10 audit findings the District's Auditor recommended that the District create policies on District Investment, Operating and Reserve Accounts and whistleblower protection.

WHEREAS, The General Manager has created these policies and they have been reviewed by the District's Auditor. These policies were approved by the Board of Directors at its June 18, 2012 meeting.

WHEREAS, It has been determined that these policies should be included in the District's policy manual;

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section 3.09.140 District Investment Policy, 3.09.150 Operating and Reserve Policy and 3.09.160 Whistleblower Policy of the District Policy Manual (Title 3 Finance) are hereby added as noted below:

3.09.140 District Investment Policy

PURPOSE

This statement is intended to provide policy and direction to the Finance Officer of the District for the prudent and beneficial use of all funds and monies of the District without regard to source or restrictions. Any reference to portfolio shall mean the total of District cash and securities under management by the Finance Officer. Permitted investments shall be listed in Exhibit A.

AUTHORITY

The Government Code of the State of California (Government Code), primarily section 53601 and related subsections authorizes the types of investment vehicles allowed in a California local agency's portfolio. The investment vehicles emphasize preservation of capital and are a conservative set of investments. The authority to invest (as defined in the Government Code) is delegated to the local agency's legislative body for re-delegation to its finance officer. Under no circumstances is the local agency finance officer permitted to purchase an investment that is not specifically authorized by law and within the scope of investments delegated by the local agency's governing Board.

BASIC POLICY AND OBJECTIVES

The Rio Linda / Elverta Community Water District investment policy is a conservative policy guided by three principles of public fund management. In specific order of importance the three principles are:

- 1) Safety of Principal. Investments shall be undertaken in a manner which first seeks to preserve portfolio principal.
- 2) Liquidity. Investments shall be made with maturity dates that are compatible with cash flow requirements and which will permit easy and rapid conversion into cash, at all times, without a substantial loss of value.
- 3) Return on Investment. Investments shall be undertaken to produce an acceptable rate of return after first consideration for principal and liquidity.

FOLLOWING ARE OBJECTIVES:

DIVERSIFICATION The District shall maintain a portfolio of authorized investments with diversified maturities, issuers and security types to avoid the risk inherent in over investing in any one sector. The Finance Officer shall evaluate or cause to have evaluated each potential investment, seeking quality of issuer, underlying security or collateral, potential negative effects of market volatility on the investment and shall diversify the portfolio to reduce exposure and assure adherence to the Basic Policy and Objectives paragraph of this policy.

PRUDENT INVESTOR STANDARD Investments will be made with the same standard of care that persons of prudence, discretion and intelligence exercise when managing their own affairs, not for speculation, but for investment with particular consideration for safety of capital as well as probable income derived.

REPORTING REQUIREMENTS Each month the Finance Officer shall prepare and submit a report of investment transactions to the Board of Directors. This report will be sufficiently detailed to provide information for investment evaluation.

PERFORMANCE REVIEW An annual appraisal of the investment portfolio shall be conducted to evaluate the effectiveness of the District's investment program. The purpose of this review, in addition to evaluation of performance, is to provide the platform for recommendations of change and improvements to the portfolio to the Board of Directors.

GRANDFATHER CLAUSE Any investment held by the District at the time of this policy is adopted shall not be sold to conform to any part of this policy unless its sale is judged to be prudent by the Finance Officer.

CONFLICTS OF INTEREST The Finance Officer shall perform his/her duties under this Investment Policy in accordance with the provisions of Section 1126 of the Government Code as well as any other state law referred to in this policy.

EXCEPTIONS When the Finance Officer determines that an exception to one of the numerical limits is in the best interest of the District, such exception is permitted as long as it is consistent with applicable State and Federal laws. Exceptions to this policy shall be reported to the Board of Directors within five working days along with a detailed explanation for the variance.

CONFLICTS In the event any provision of this Statement of Investment Policy is in conflict with any of the statutes referred to herein or any other State or Federal statute, the provisions of each statute shall govern.

SAFEKEEPING All securities purchased may be delivered against payment and held in safekeeping pursuant to a safekeeping agreement. All financial institutions shall be instructed to mail confirmations and safekeeping receipts directly to the Finance Officer of the District.

EXHIBIT "A"

PERMITTED INVESTMENTS

| | <u>Investment Type</u> | <u>Maximum Investment</u> | <u>Maximum Maturity</u> |
|----|---|---------------------------|-------------------------|
| 1) | Investment pool authorized under CA Account Statutes governed by Government Code Sections 16429.1-16429.4 | \$50 million ¹ | Liquid |
| 2) | California Asset Management Program (CAMP) | Unlimited | Liquid Account |
| 3) | U.S. Treasury Obligations | Unlimited | 5 Years |
| 4) | Bank Savings Account | 25% | Liquid Account |
| 5) | Federal Agencies | 75% | 5 Years |
| 6) | Commercial Paper | 20% | 180 Days |
| 7) | Negotiable Certificates of Deposit | 20% | 180 Days |
| 8) | Re-purchase Agreements | 20% | 180 Days |
| 9) | Corporate Debt | 25% | 5 Years |

ADDITIONAL LIMITS ON INVESTMENTS:

- 1) No notes.
- 3) U.S. Treasury Obligations are limited to Treasury Bills, Treasury Notes, and Treasury Bonds.
- 4) Bank Savings Accounts must be collateralized at 110% of account balance.
- 5) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- 6) Must be a U.S. corporation with over \$500 million in assets. The commercial paper must be of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The District may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Additionally, District purchases may not exceed 10% per issuer.
- 7) Negotiable certificates of deposit must be issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), or a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases are limited to institutions which have long-term debt rated in the "A: category or higher, or the equivalent, by a nationally recognized rating organization.
- 8) The District will enter into repurchase agreements only with primary government securities dealers as designated by the Federal Reserve Bank of New York. Repurchase agreements shall be governed by a master repurchase agreement adopted by the Public Securities Association. All securities underlying repurchase agreements shall be delivered to the District's custodial bank, or be handled under a properly executed "tri-party" custodial arrangement. Collateral for repurchase agreements is restricted to U.S. Treasury issues or Federal Agency issues.

The underlying collateral must be at least 102% of the repurchase agreement amount. If the value of securities held as collateral slips below 102% of the value of the cash transferred, then additional cash or acceptable securities must be delivered to the third party custodian. Market value shall be recalculated each time there is a substitution of collateral. For repurchase agreements with terms to maturity of greater than three days, the value of the collateral securities shall be marked to market weekly by the custodian, and if additional collateral securities is required, then that collateral must be delivered within two business days. If a collateral deficiency is not corrected within two days, the collateral securities will be liquefied.

A perfect first security interest in the collateral securities, under the Uniform Commercial Code, shall be created for the benefit of the District. Collateral securities shall be held free and clear of any lien and shall be an independent third party acting solely as an agent for the District, and such third party shall be (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of not less than \$50 million.

- 9) Purchases are limited to corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated "A" or better by a nationally recognized rating service. District purchases may not exceed 10% per issuer.

Limits subject to change; established by State Treasurer.

3.09.150 Operating and Reserve Policy

BASIC POLICY AND OBJECTIVES

The Rio Linda / Elverta Community Water District reserve policy is a financial policy guided by sound accounting principles of public fund management. The policy establishes several reserve funds to minimize adverse annual budgetary impacts from anticipated and unanticipated District expenses.

The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised accordingly as necessary. The following District reserve fund categories are established:

1 Capital Improvement Fee Reserve

- 1.1. Purpose: To provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service.
- 1.2. Target Balance: AB1600 does not designate a target reserve balance. A Government Code 66000 Compliance Report identifies the proposed capital projects necessary to maintain and/or improve services and the amount needed to fund those capital projects. In accordance with Government Code 66000, the balance shall not exceed the amount specified by that law.
- 1.3. Methodology/Rational: Virtually all development that occurs within the District requires the use of District facilities, plant and equipment for public services. This fee is established to insure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs.
- 1.4. Use of Funds: The funds generated by the fee will be used to acquire, replace and/or construct various capital facilities, plant and equipment for the provision of water, security and administrative services
- 1.5. Funding: Annual contributions from developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments. The District also currently contributes \$20,000.00 per month into this fund from operating income.

2. Surcharge Account

- 2.1. Purpose: This account was created to pay off the 2010 SRF Loan of \$7,499,045.00. This account will be closed after repayment of the loan 20 years from the project completion date.

- 2.2. Target Balance: The target balance increases and decreases with the construction project in progress. It will stabilize when the construction is complete and loan payment begins. Hence, there is currently no target balance.
- 2.3. Methodology/Rational: It has been determined by the State of California that the amount of \$19.00 per connection per billing period should be sufficient for the repayment of their loan.
- 2.4. Use of Funds: The funds will be used for repayment of SRF loan.
- 2.5. Funding: a fee of \$19.00 per billing cycle is charged to each active account and collected as a primary source of funds. A minimum of \$80,320 per billing cycle is deposited until the loan is paid off.

3. Surcharge Reserve

- 3.1. Purpose: To establish a reserve as required by our 2011 SRF funding agreement # SRF111CX107
- 3.2. Target Balance: The target balance is \$481,917.00 which is equivalent to 2 semiannual loan payments.
- 2.3. Methodology/Rational: There is \$88,352.00 put into this reserve every billing cycle. The current balance is \$353,408.00. The reserve should be up to the required amount in the next two billing cycles
- 2.4. Use of Funds: The funds will not be used. They are to remain in this account until the loan is paid off per our loan agreement.
- 2.5. Funding: \$88,352.00 is transferred into this account every billing cycle until it reaches its required amount.

4. 2003 Water Revenue Refunding Bonds Reserve Fund 2032

- 4.1. Purpose: To establish a reserve as required by our 2003 Water Revenue Refunding Bonds
- 4.2. Target Balance: The target balance is \$242,484.00 which is equivalent to 2 semiannual loan payments.
- 4.3. Methodology/Rational: This fund is already fully funded and no additional monies are being deposited.
- 4.4. Use of Funds: The funds will not be used. They are to remain in this account until the bonds are paid off per our bond agreement.
- 4.5. Funding: This fund is already fully funded and no additional monies are being deposited.

5. 2003 Debt Service Fund

- 5.1. Purpose: To make semiannual bond payments on the 2003 bonds in the amount of \$3,970,000.
- 5.2. Target Balance: The amount equivalent to the amount payable on the bonds semi annually. There is approximately \$240,000.00 due per year on this bond issue.
- 5.3. Methodology/Rational: The District deposits \$20,000.00 per month in to this reserve from the Operating Fund in order to have sufficient funds to pay the bond payments when due.
- 5.4. Use of Funds: These funds are used exclusively to repay the 2003 Bond debt.
- 5.5. Funding: \$20,000 per month is put into this account to build up enough money for payment of the bonds when due.

6. Operating Fund

- 6.1. Purpose: To ensure cash resources are available to fund daily administration, operations and maintenance of providing water, wastewater, security and drainage services.
- 6.2. Target Balance: A minimum of six months of cash to fund District expenditures.
- 6.3. Methodology/Rational: The District is required to have sufficient cash flow to meet the next six months of budgeted District expenditures (Government Code Section 53646(b)(3)). The next six months of projected cash revenues can be included as a source of cash flow to satisfy this requirement. Revenues in excess of reserve contributions and expenditures resulting from expenditure savings or timing differences are also reflected in this fund.
- 6.4. Use of Funds: These funds will be used to pay for expenditures according to budget and expenditure authority.
- 6.5. Funding: Annual contributions will vary, depending upon other reserve requirements and current year expenditure requirements. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

7. Trust Account

- 7.1. Purpose: To collect deposits for new customer accounts. These deposits are refunded after one year of timely payment on their account.
- 7.2. Target Balance: The balance on this account fluctuates with the number of customers that have deposits with the District.
- 7.3. Methodology/Rational: The District requires a \$100.00 deposit for each parcel that is owned by a customer. There is a method of waiving the deposit. If the customer can provide us with a letter of credit from a current or previous utility provider that shows at least one year of history with no late payments or returned checks the deposit can be

waived. If a deposit is required the deposit gets returned to their account after one year of timely payment or when they move. If there is a deposit balance after paying the final bill upon leaving the property it is refunded in the form of a check.

- 7.4. Use of Funds: These funds will be used to pay the final bill on an account if it is left unpaid when the owner moves away.
- 7.5. Funding: The District requires a \$100.00 deposit for each parcel that is owned by a customer. If the customer can provide the District with a letter of credit from a current or previous utility provider that shows at least one year of history with no late payments or returned checks the deposit can be waived.

8. Secured Credit Card

- 8.1 Purpose: To provide a constant amount of money for the District credit cards to draw upon.
- 8.2. Target Balance: The balance on this account is \$15,000.00.
- 8.3. Methodology/Rational: The District had no credit when the current Management went to obtain a credit card for the company. The only way a card could be secured was to have a constant balance set aside for the company credit cards to draw upon and reimburse monthly.
- 8.4. Use of Funds: These funds are used to pay credit card expenses and reimbursed monthly.
- 8.5. Funding: The District initially funded this account with the amount of \$15,000.00.

9. LAIF GASB 45 Funding

- 9.1 Purpose: To provide a source of income to fund post retirement benefits.
- 9.2. Target Balance: Unknown. An Actuarial study needs to be performed to determine the appropriate amount to include in this account.
- 8.3. Methodology/Rational: This will be determined when the actuarial study is done.
- 8.4. Use of Funds: These funds are to be used to fund post retirement benefits costs.
- 8.5. Funding: The income to fund this account will come from the Operating Fund.

3.09.160 Whistleblower Policy

PURPOSE

Rio Linda / Elverta Community Water District (RLECWD) requires its Directors, Managers and Employees to observe high standards of professionalism and ethical conduct in maintaining financial records. This Whistleblower Policy (the "Policy") establishes standards and procedures to ensure that complaints and concerns ("Accounting Irregularity") regarding accounting or auditing matters are reported and handled in a manner that complies with management's objectives. In addition, this policy establishes procedures for:

1. The confidential, anonymous submission by Complainants of Accounting Irregularities regarding questionable accounting or auditing matters; and,
2. The treatment of Accounting Irregularities concerning accounting, internal account controls and auditing matters received by RLECWD from Complainants.

NO RETALIATION

No office, employee or other (the “Complainant”) who in good faith reports an Accounting Irregularity shall suffer harassment, retaliation or adverse employment consequences. An employee who retaliates against someone who has reported an Accounting Irregularity in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable Complainants to raise serious concerns with RLECWD rather than seek resolution outside RLECWD.

PROCEDURE FOR REPORTING VIOLATIONS

1. It is the responsibility of all Directors, Managers and Employees to report all suspected Accounting Irregularities in accordance with this Policy. RLECWD maintains an open door policy and suggests that Complainants share their questions, concerns or complaints with someone who can address them properly. In most cases, the Complainant’s supervisor is in the best position to address an area of concern. A Complainant’s supervisor may be most knowledgeable about the issues and will appreciate being brought into the process. It is the supervisor’s responsibility to help solve the problem.
2. If the Complainant is not comfortable speaking to his/her supervisor or is not satisfied with the supervisor’s response, the Complainant is encouraged to speak with the General Manager. Supervisors and General Manager are required to report suspected Accounting Irregularities to the Board of Directors. The Board of Directors will create an Audit Committee which has specific and exclusive responsibility to investigate all reported violations. For suspected fraud or securities law violations, or when the Complainant is not satisfied or is uncomfortable with following RLECWD’s open door policy, the Complainant should contact the General Manager directly.

RLECWD General Manager
P.O. Box 400
Rio Linda, CA 95673
(916) 991-1000
(916) 991-6616 fax

INVESTIGATION OF COMPLAINTS

1. The Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Accounting Irregularities. The Audit Committee may retain independent legal counsel, accountants or other to assist in its investigation.

2. The Chair of the Audit Committee will notify the Complainant and acknowledge receipt of the reported suspected Accounting Irregularity within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted as a result of the investigation.
3. RLECWD shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.

ACCOUNTING AND AUDITING MATTERS

The Audit Committee is responsible for addressing all reported concerns or complaints regarding accounting practices, internal controls or auditing. The General Manager is required to immediately notify the Board of Directors of any complaint of which he/she is aware and to work with the Committee until the matter is resolved.

ACTING IN GOOD FAITH

Anyone filing a complaint concerning a suspected Accounting Irregularity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Accounting Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

CONFIDENTIALITY

Complaints or submissions concerning a suspected Accounting Irregularity may be submitted on a confidential basis by the Complainant or may be submitted anonymously. All complaints or submissions will be kept confidential to all extent possible, consistent with the need to conduct an adequate investigation.

This Policy will become effective immediately upon approval of this Resolution.

Passed and Adopted this 16th Day of July 2012 by the following vote:

Ayes: Directors Frank Caron, Hood, Johnson, Trautman

Noes: None

Absent: Courtney Caron

Abstain: None

Gerald H. Trautman
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

Resolution 2012-13

AMENDING SEC. 1.05.030 GOALS IN TITLE 1 GENERAL PROVISIONS OF THE DISTRICT POLICY MANUAL

WHEREAS, It is the Board's duty from time to time to review the District's goals to determine if they are still pertinent to the operation of the business.

WHEREAS, The General Manager presented proposed goals to the Board of Directors at their June 18, 2012 meeting and it was determine that one of the current goals should be excluded.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section 1.05.030 are hereby amended as noted below:

Goal B. "Construct a distribution system serving the entire District which is adequately sized and looped" is to be removed from the District's goals.

This Policy will become effective immediately upon approval of this Resolution.

Passed and Adopted this 16th Day of July 2012 by the following vote: 3-1-0

Ayes: Director's Trautman, Hood and Johnson

Noes: Director Frank Caron

Absent: Director Courtney Caron

Abstain: NONE

Gerald H. Trautman Jr.
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

Resolution 2012-14

CREATING SEC. 2.25.930 OF THE ADMINISTRATIVE AND PERSONNEL SECTION O F THE DISTRICT POLICY MANUAL VEHICLE USAGE POLICY

WHEREAS, The Board has determined at its March 22, 2012 meeting that District vehicles should stay within the District; and

WHEREAS, The District did not have a policy regarding District vehicle usage in the policy manual;

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the provisions of Section 2.25.930 of the District Policies (Title 2 Administration and Personnel) is hereby added as noted below:

2.25.930 Vehicle Usage Policy. District vehicles are to remain in the District unless being used for approved travel.

On call employees pay and mileage start at the moment they leave their current location to come into work when called in for an emergency and ends when they return home. Their on call pay and mileage starts from their home on weekends when performing rounds and ends when they return home.

On call employees are to drive their personal vehicles to and from the District yard when on call and while performing weekend rounds.

On call Employees will be reimbursed the current federal mileage rate for mileage to and from the office when being called in after hours and on weekends.

The employee must have a vehicle and provide proof of insurance in order to be on call.

If an accident occurs when an on call employee is called in to work after regular business hours the District will provide automobile insurance coverage to the employee.

This Policy will become effective immediately upon approval of this Resolution.

Passed and Adopted this 16th Day of July 2012 by the following vote: 4-0-0

Ayes: Directors Frank Caron, Johnson, Hood and Trautman

Noes: None

Absent: Director Courtney Caron

Abstain: None

Gerald H. Trautman
President, Board of Directors

Attest:

Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

Resolution 2012-16

AMENDING DISTRICT POLICY MANUAL TO INCLUDE FINANCIAL RISK ASSESSMENT POLICY

WHEREAS, It is has been determined by the District's Auditor that the District should have a financial Risk Assessment policy.

WHEREAS, The General Manager and the District's Auditor have collaborated to prepare a risk assessment policy for the District.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that the following will be the District's Financial Risk Assessment Policy:

3.21.700 FINANCIAL RISK ASSESSMENT

3.21.710 PURPOSE

To identify and mitigate incidences of fraud that could potentially result in loss and/or material misstatement of the financial statements, Rio Linda / Elverta Community Water District (RLECWD) has implemented the financial risk assessment process outlined below.

3.21.720 PROCESS

3.21.721 Board President shall meet semi annually with the General Manager and Bookkeeper to discuss and consider potential areas of risk for fraud.

3.21.722 This semi annual fraud risk assessment session shall be chaired by the General Manager (GM) who will document the discussion and identify areas requiring further attention.

3.21.723 The minutes of this session will be recorded by the GM and reported at the next Board meeting. Those areas identified as requiring further attention shall be dealt with appropriately by the GM or as directed by the Board. Any action taken on this area of risk shall be documented and reported at the next fraud risk assessment session. Actions taken on critical risk areas identified will be reported to the Board as soon as the issue has been addressed.

3.21.724 The GM will provide a verbal and/or written report to the Board of Directors. This report will be made periodically, as needed, but no less than once annually. At this time, the GM will document any feedback from the Board of Directors. Any discussions with Board members will be included in the minutes of the Board of Directors.

3.21.725 The GM shall maintain a binder of all risk assessment meeting minutes and actions taken.

This policy will become a part of the policy manual immediately upon approval of this Resolution.

Passed and Adopted this 13th Day of August 2012 by the following vote: 5-0-0

Ayes: Trautman, F. Caron, C. Caron, Hood and Johnson

Noes: None

Absent: None

Abstain: None

Signature on file
Gerald H. Trautman Jr.
President, Board of Directors

Attest:

Signature on file
Mary Henrici
Secretary of the Board

Rio Linda / Elverta Community Water District

Resolution 2012-17

**IMPLEMENTING A STANDBY FEE FOR INACTIVE SERVICES WITHIN THE
DISTRICT BOUNDARIES.**

WHEREAS, The Rio Linda/Elverta Community Water District is the exclusive provider of water which is used for drinking and other purposes, including water for fire protection, to the Rio Linda and Elverta communities.

WHEREAS, it has been determined that customers who have had water service in the past but for one reason or another do not currently have service, still have the ability to receive the benefits of water service and continue to benefit from the Districts continuous responsibility to provide water for fire protection, and should be responsible for their share of the fixed costs and debt service associated with operations of the District.

NOW THEREFORE, BE IT RESOLVED, by the Rio Linda / Elverta Community Water District Board of Directors that all inactive customers will be required to pay the full base rate based on meter size and the current surcharge in the amount of \$19.00 bimonthly as is required of active customers.

This policy will become a part of the policy manual immediately upon approval of this Resolution.

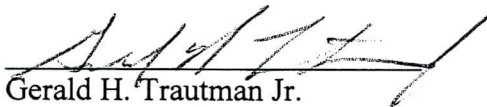
Passed and adopted this 17th Day of September 2012 by the following vote: 5-0-0

Ayes: President Trautman and Directors' Frank Caron, Courtney Caron,
Vivien Johnson and Cathy Hood

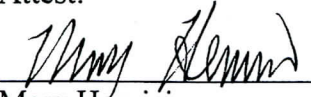
Noes: NONE

Absent: NONE

Abstain: NONE


Gerald H. Trautman Jr.
President, Board of Directors

Attest:


Mary Henrici
Secretary of the Board

**Resolution 2012-17
superseded by 2013-04**