

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

February 24, 2025 (6:30 p.m.)

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

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

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, & 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. CONSENT CALENDAR (Action items: Approve Consent Calendar Items)

3.1. Minutes

January 27, 2025 and February 13, 2025

The Board is being asked to approve the Minutes from the January 27, 2025 Regular Board Meeting and the February 13, 2025 Special Board Meeting.

3.2. Expenditures

The Executive Committee recommends the Board approve the December 2024 Expenditures.

3.3. Financial Reports

The Executive Committee recommends the Board approve the December 2024 Financial Report.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1. GM Report.

4.1.1. *The General Manager will provide his monthly report to the Board of Directors*

4.2. District Engineer's Report.

4.2.1. *The Contract District Engineer will provide his monthly report to the Board of Directors.*

4.3. Discuss the Estimated Cost of Replacing Two of the Oldest Workstation Computers.

4.4. Review and Discuss the Draft Financial Resources Guide.

4.5. Consider Authorizing Board Member Compensation for Late Submittal.

- 4.6. **Consider Authorizing Legal Counsel Review of Request from Diamond Communications for Expanded Use of District Facilities.**
- 4.7. **Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065.**

5. INFORMATION ITEMS

5.1. District Activities Reports

- 5.1.1. Water Operations Report
- 5.1.2. Completed and Pending Items Report
- 5.1.3. Conservation Report
- 5.1.4. Leak Repair Report
- 5.1.5. Legal Guide on Complying with AB 992 (Brown Act Provisions on Social Media Posts)
- 5.1.6. California Government Code 54952.2 (AB 992)

5.2. Board Member Reports

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority (Liverett / Cline)
- 5.2.3. Executive Committee – Young/Liverett
- 5.2.4. ACWA/JPIA – Cline
- 5.2.5. MOU Renewal Negotiations Ad Hoc (Young/Cline)

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT –

Upcoming meetings:

Executive Committee

March 12, 2025, Wednesday, 6:00 pm. Visitors / Depot Center, 6730 Front St. Rio Linda, CA

Board Meeting (subject to Board Confirmation)

March 24, 2025, Monday, 6:30 pm. Visitors / Depot Center, 6730 Front St. Rio Linda, CA



**Consent Calendar
Agenda Item: 3.1**

Date: February 24, 2025
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 _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____

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

**MINUTES OF THE JANUARY 27, 2025
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

The Link below provides access the video of this meeting.

<https://vimeo.com/1051274326>

1. CALL TO ORDER, ROLL CALL & PLEDGE OF ALLEGIANCE

The January 27, 2025 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitors/Depot Center 6730 Front St., Rio Linda, CA 95673. This meeting was physically open to the public.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director Chris Gifford, Director Vicky Young, Director Maria Liverett, General Manager Tim Shaw, and Mike Vasquez, Vasquez Engineering were present. Director Anthony Cline was absent. Director Young led the pledge of allegiance.

2. PUBLIC COMMENT- Public members questioned about the non-presence of General Counsel at the meeting.

3. CONSENT CALENDAR (1:53)

3.1. December 18, 2024 Minutes

3.2 November Expenditures

3.3 November Financials

Comments/Questions – Director Young noted in the December minutes that the motion did not contain the Directors name who made the second motion.

(3:35) It was moved by Director Green seconded by Director Young to approve the Consent Calendar. Directors Green, Young, Liverett, and Gifford voted yes. Director Cline was absent. The motion carried by a roll call vote of 4-0-1.

4.REGULAR CALENDAR -ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report (3:49)

The General Manager, Tim Shaw provided his monthly report to the Board of Directors.

Comments/Questions – No Directors or public comment.

The Board took no action on this item.

4.2 Public Works Projects Report (4:43)

Mike Vasques, Vasquez Engineering report provided, General District Engineering.

Comments/Questions – General questions by the Directors and public.

The Board took no action on this item.

4.3 Consider Authorizing a Change in the Designated Provider of Legal Services. (25:23)

Comments/Questions – General comments by the Directors was the legal firm was being unprofessional and in breach of their contract. Public member commented that legal firm BBK was very knowledgeable on District and Director issues.

(34:45) It was moved by Director Young and seconded by Director Green to authorize termination of legal services with White Brenner. Directors Green, Young, Liverett, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-1.

(40:15) It was moved by Director Gifford and seconded by Director Green to engage with Best, Best and Kreiger and direct staff to generate a professional services agreement. Directors Green, Young, Liverett, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-1.

4.4 Consider Authorizing Board Member Compensation for Late Submittal. (46:37)

Comments/Questions – General discussion by the Directors. Public member asked who was on the Executive Committee.

(48:37) It was moved by Director Gifford and seconded by Director Green to approve Director Young's Board Member Compensation. Directors Green, Young, Liverett, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-1.

4.5 Consider Authorizing a Revision to District Policy 2.20.140, Board Member Compensation (time limit for submitting requests. (49:20)

Comments/Questions – General discussion by the Directors. Public members commented that 30 days should be plenty of time to submit for compensation unless special circumstances.

(50:46) It was moved by Director Young and seconded by Director Green to extend the time limit for submitting Board Member Compensation from 30 to 60 days. Directors Green, Young, Liverett, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-1.

4.6 Discuss the process for increasing Board Member Compensation. (54:00)

Comments/Questions – General discussion by the Directors on this item.

(58:30) It was moved by Director Gifford and seconded by Director Green to table the item. Directors Green, Young, Liverett, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-1.

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

No action taken by the Board.

No public comment.

5. INFORMATION ITEMS

5.1 District Activities Reports (59:45)

- 5.1.1 Water Operations Report – Written report provided.
- 5.1.2 Completed and Pending Items Report – Written report provided.
- 5.1.3 Conservation Report – Report Provided.
- 5.1.4 Leak Repair Report – Report provided.

5.2 Board Member Report (1:02:07)

- 5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action.
- 5.2.2 Executive Committee – Liverett, Cline – Minutes provided.
- 5.2.3 ACWA/JPIA – Cline – Nothing to report.
- 5.2.4 MOU Renewal Negotiations Ad Hoc (Young/Cline) – On going.

Comments/Questions – No public comment.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS – No comments.

7. ADJOURNMENT - The meeting was adjourned at 7:35 pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Chris Gifford, President of the Board

**MINUTES OF THE FEBRUARY 13, 2025
BOARD OF DIRECTORS SPECIAL MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL & PLEDGE OF ALLEGIANCE

The February 13, 2025 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 5:30 p.m. New Beginnings Fellowship 7008 10th St. Rio Linda, CA 95673. This meeting was physically open to the public.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director Chris Gifford, Director Vicky Young, Director Maria Liverett, Director Anthony Cline, General Manager Tim Shaw, Mike Vasquez, Vasquez Engineering, and Legal Counsel Andreas Booher of Best, Best and Krieger Law were present.

2. PUBLIC COMMENT -No public members in attendance at the start of the meeting and none present when the Chair called for public comments.

Two public members arrived while still in open session. One public member tried to make public comments, but not about items on the agenda. The chair advised that the public comment period has passed and the public member was further advised that public comments at special meeting are limited to comments about items on the agenda.

3-ITEMS FOR DISCUSSION AND ACTION

3.1 Consider approving the Engagement Agreement with Best, Best and Krieger for Provision of Legal Services.

Comments/Questions – General discussion by the Directors. No public comment.

It was moved by Director Cline and seconded by Director Green to approve the agreement with Best, Best and Krieger for Provision of Legal Services. Directors Green, Young, Cline, and Gifford voted yes. Director Liverett voted no. The motion carried with a roll call vote of 4-1-0.

4. Public Comment prior to Closed session

5. (6:05) CLOSED SESSION - The Board of Directors will meet in Closed Session to discuss the following item:

5.1 CONFERENCE WITH LABOR NEGOTIATORS - (Pursuant to Government Code Section 54957.6) District Negotiators; Shaw, Young, & Cline. RLECWD Employee General Unit, Teamster Local 150 regarding Renewal of Memorandum of Understanding.

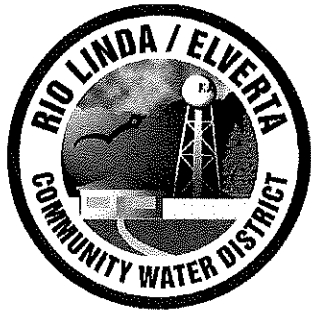
6. (7:05) Return to Open Session, Report of actions taken in closed session - *The negotiators have been advised.*

7. ADJOURNMENT -The meeting was adjourned at 7:11 pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Chris Gifford, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: February 24, 2025
Subject: Expenditures
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee forwarded the December 2024 Expenditures report to the February 24th Board agenda with the Committee’s recommendation for Board approval.

Current Background and Justification:

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

Conclusion:

Board approval of the February 24th Consent Agenda incorporates approval of the December 2024 Expenditures report.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Cline _____ Gifford _____ Green _____ Liverett _____ Young _____

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

**Rio Linda Elverta Community Water District
Expenditure Report
December 2024**

Date	Num	Name	Memo	Amount
12/11/2024	EFT	QuickBooks Payroll Service	For PP Ending 12/07/24 Pay date 12/12/24	20,914.76
12/12/2024	EFT	CalPERS	For PP Ending 12/07/24 Pay date 12/12/24	3,804.91
12/12/2024	EFT	CalPERS	For PP Ending 12/07/24 Pay date 12/12/24	1,422.50
12/12/2024	EFT	Internal Revenue Service	Employment Taxes	7,993.36
12/12/2024	EFT	Employment Development	Employment Taxes	1,672.17
12/12/2024	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,904.24
12/12/2024	EFT	Adept Solutions	Monthly Computer Maintenance	1,616.20
12/12/2024	EFT	Comcast	Telephone-Landline	109.68
12/12/2024	EFT	PG&E	Utilities	87.46
12/12/2024	EFT	Ramos Oil Inc.	Transportation Fuel	731.42
12/12/2024	EFT	Republic Services	Utilities	170.77
12/12/2024	EFT	Umpqua Bank Credit Card	Computer, Office, Transportation Maint., Telephone	972.21
12/12/2024	EFT	Verizon	Field Communication	425.38
12/12/2024	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
12/12/2024	EFT	RLECWD	RLECWD - Capital Improvement	52,517.00
12/12/2024	EFT	RLECWD	Surcharge 1 Bi-Monthly Transfer	88,809.48
12/12/2024	3249	Employee	Reimbursement - Employee Recognition	367.41
12/12/2024	3250	Customer	Final Bill Refund	48.22
12/12/2024	3251	Customer	Final Bill Refund	98.72
12/12/2024	3252	ABS Direct	Printing & Postage & Postage Prepaid \$5K	7,239.57
12/12/2024	3253	Association of California Water Agencies	Annual Membership Dues	12,230.00
12/12/2024	3254	ACWA/JPIA Powers Insurance Authority	EAP	24.80
12/12/2024	3255	BSK Associates	Lab Fees	10,551.76
12/12/2024	3256	Buckmaster Office Solutions	Office Equipment	78.98
12/12/2024	3257	CoreLogic Solutions	Subscription	106.09
12/12/2024	3258	County of Sacramento	Election - November 5, 2024	26,177.02
12/12/2024	3259	Government Finance Officers Association	Office Expense - Annual ACFR Submittal	460.00
12/12/2024	3260	Maze & Associates	Auditor Fee	2,150.00
12/12/2024	3261	Rio Linda Elverta Recreation & Park	Meeting Fee - November & December	200.00
12/12/2024	3262	Rio Linda Hardware & Building Supply	Shop Supplies	133.77
12/12/2024	3263	Sierra Chemical Company	Treatment	1,446.72
12/12/2024	3264	SMUD	Utilities	18,950.73
12/12/2024	3265	State Water Resource Control Board	Licensing	60.00
12/12/2024	3266	State Water Resource Control Board	Permits	881.00
12/12/2024	3267	UniFirst Corporation	Uniforms	360.09
12/12/2024	3268	Vanguard Cleaning Systems	Janitorial	195.00
12/12/2024	3269	Vasquez Engineering	Engineering	5,000.00
12/12/2024	3270	Verizon	Internet	46.44
12/12/2024	3271	Vulcan Materials Company	Distribution Supplies	568.25
12/12/2024	3272	White Brenner, LLP	Legal	6,888.90
12/26/2024	EFT	Kaiser Permanente	Health Insurance	2,575.25
12/26/2024	EFT	Principal	Dental & Vision Insurance	1,852.30



**Rio Linda Elverta Community Water District
Expenditure Report
December 2024**

12/26/2024	EFT	Western Health	Health Insurance	13,032.96
12/26/2024	EFT	WageWorks	FSA Administration Fee	76.25
12/24/2024	EFT	QuickBooks Payroll Service	For PP Ending 12/21/24 Pay date 12/26/24	23,203.76
12/26/2024	EFT	CalPERS	For PP Ending 12/21/24 Pay date 12/26/24	1,422.50
12/26/2024	EFT	CalPERS	For PP Ending 12/21/24 Pay date 12/26/24	3,766.60
12/26/2024	EFT	Internal Revenue Service	Employment Taxes	8,938.56
12/26/2024	EFT	Employment Development	Employment Taxes	1,919.53
12/26/2024	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	1,951.72
Total 10020 · Operating Account Budgeted Expenditures				<u>353,154.44</u>

12/15/2024	EFT	AFLAC	Employee Funded Premiums	687.72
12/12/2024	EFT	California State Disbursement Unit	Employee Garnishment	332.00
12/12/2024	3228	Teamsters	Union Dues	815.00
12/26/2024	EFT	California State Disbursement Unit	Employee Garnishment	332.00
12/31/2024	EFT	WageWorks	FSA Expenditures - Employee Funded	702.33
Total 10020 · Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs				<u>2,869.05</u>



Consent Calendar Agenda Item: 3.3

Date: February 24, 2025
Subject: Financial Reports
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee forwarded the Financial Report onto the February 24th Board agenda with the Committee’s recommendation for Board approval.

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 to inform them of the District’s current financial condition.

Conclusion:

Board approval of the Consent Agenda incorporates approval of the November Financial Report.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District

Balance Sheet

As of December 31, 2024



ASSETS

Current Assets

100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund-Umpqua	2,100,141.75
Total 10000 · Operating Account	2,100,141.75
10475 · Capital Improvement	
10480 · General	782,164.93
10485 · Vehicle Replacement Reserve	37,948.49
Total 10450 · Capital Improvement	820,113.42
 Total 100 · Non-Restricted Cash & Cash Equivalents	 2,920,255.17

102 · Restricted Assets

102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge 1 Reserve	544,086.33
10300 · Surcharge 1 Account	992,437.48
10350 · Umpqua Bank - Revenue Bond	54,838.76
10380 · Surcharge 2 Account	524,428.15
Total 102.2 · Restricted for Debt Service	2,115,790.72
102.4 · Restricted Other Purposes	
10385 · Available Funding Cr6 Projects #1	476,700.45
10481 · Available Funding Cr6 Projects #2	497,030.20
10490 · Future Capital Imp Projects	1,381,215.92
10600 · LAIF Account - Capacity Fees	960,931.36
10650 · Operating Reserve Fund	340,007.50
Total 102.4 · Restricted Other Purposes	3,655,885.43
 Total 102 · Restricted Assets	 5,771,676.15

Accounts Receivable	761.38
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Other Current Assets

12000 · Water Utility Receivable	98,924.78
12200 · Accrued Revenue	150,000.00
12250 · Accrued Interest Receivable	2,289.64
15000 · Inventory Asset	48,618.45
16000 · Prepaid Expense	94,499.45
16075 · OPEB GASB 75	4,751.00
Total Other Current Assets	399,083.32

Total Current Assets	9,091,776.02
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Capital Assets

17000 · General Plant Assets	653,964.26
17100 · Water System Facilites	25,323,453.93
17300 · Intangible Assets	383,083.42
17500 · Accum Depreciation & Amort	-12,521,210.96
18000 · Construction in Progress	1,124,580.28
18100 · Land	576,672.45
Total Capital Assets	15,540,543.38

Other Assets

18500 · ADP CalPERS Receivable	410,000.00
19000 · Deferred Outflows	821,741.00
19900 · Suspense Account	0.00
Total Other Assets	1,231,741.00

TOTAL ASSETS	25,864,060.40
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Rio Linda Elverta Community Water District

Balance Sheet

As of December 31, 2024

LIABILITIES & NET POSTION

Liabilities

Current Liabilities

Accounts Payable	84,607.35
Other Current Liabilities	935,340.36

Total Current Liabilities	1,019,947.71
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Long Term Liabilities

23500 · Lease Buy-Back	459,522.27
25000 · Surcharge 1 Loan	2,314,710.45
25050 · Surcharge 2 Loan	1,835,040.16
26000 · Water Rev Refunding	1,187,101.00
26500 · ADP CalPERS Loan	380,000.00
29000 · Net Pension Liability	946,016.00
29500 · Deferred Inflows-Pension	112,980.00
29600 · Deferred Inflows-OPEB	37,219.00

Total Long Term Liabilities	7,272,588.88
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Total Liabilities	8,292,536.59
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Net Position

31500 · Invested in Capital Assets, Net	10,069,591.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted	6,597,086.39
Net Revenue	199,620.72

Total Net Position	17,571,523.81
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TOTAL LIABILITIES & NET POSTION	25,864,060.40
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Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
December 2024



	<u>Annual Budget</u>	<u>Dec 24</u>	<u>YTD Jul-Dec 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
40000 · Operating Revenue					
40100 · Water Sales					
40101 · Basic Service Charge	1,212,965.00	-157.30	478,769.43	39.47%	734,195.57
40102 · Usage Charge	1,915,035.00	191.46	1,042,868.83	54.46%	872,166.17
40105 · Backflow Charge	31,400.00	0.00	12,278.85	39.11%	19,121.15
40106 · Fire Prevention	25,400.00	0.00	10,890.14	42.88%	14,509.86
40110 · Bi-Monthly Accrual	0.00	150,000.00	150,000.00	100.00%	-150,000.00
Total 40100 · Water Sales	<u>3,184,800.00</u>	<u>150,034.16</u>	<u>1,694,807.25</u>	<u>53.22%</u>	<u>1,489,992.75</u>
40200 · Water Services					
40201 · Application Fees	6,500.00	400.00	2,525.00	38.85%	3,975.00
40202 · Delinquency	70,000.00	11,574.00	37,744.64	53.92%	32,255.36
40209 · Misc. Charges	7,000.00	800.00	3,189.00	45.56%	3,811.00
Total 40200 · Water Services	<u>83,500.00</u>	<u>12,774.00</u>	<u>43,458.64</u>	<u>52.05%</u>	<u>40,041.36</u>
40300 · Other Water Service Fees					
40301 · New Construction QC	4,000.00	0.00	3,343.00	83.58%	657.00
40302 · Service Connection Fees	10,000.00	0.00	536.64	5.37%	9,463.36
40304 · Other Operating Revenue	6,000.00	0.00	18,451.33	307.52%	-12,451.33
Total 40300 · Other Water Service Fees	<u>20,000.00</u>	<u>0.00</u>	<u>22,330.97</u>	<u>111.66%</u>	<u>-2,330.97</u>
Total 40000 · Operating Revenue	<u>3,288,300.00</u>	<u>162,808.16</u>	<u>1,760,596.86</u>	<u>53.54%</u>	<u>1,527,703.14</u>
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.30	20.45	58.43%	14.55
Total 41110 · Investment Revenue	<u>35.00</u>	<u>3.30</u>	<u>20.45</u>	<u>58.43%</u>	<u>14.55</u>
41120 · Property Tax	127,000.00	1,322.59	5,194.93	4.09%	121,805.07
Total 41000 · Nonoperating Revenue	<u>127,035.00</u>	<u>1,325.89</u>	<u>5,215.38</u>	<u>4.11%</u>	<u>121,819.62</u>
Total Operating & Non-Operating Revenue	<u>3,415,335.00</u>	<u>164,134.05</u>	<u>1,765,812.24</u>	<u>51.70%</u>	<u>1,649,522.76</u>
Expense					
60000 · Operating Expenses					
60010 · Professional Fees					
60011 · General Counsel-Legal	35,000.00	6,888.90	16,518.16	47.20%	18,481.84
60012 · Auditor Fees	26,000.00	0.00	26,000.00	100.00%	0.00
60013 · Engineering Services	85,000.00	12,140.00	42,370.00	49.85%	42,630.00
Total 60010 · Professional Fees	<u>146,000.00</u>	<u>19,028.90</u>	<u>84,888.16</u>	<u>58.14%</u>	<u>61,111.84</u>
60100 · Personnel Services					
60110 · Salaries & Wages					
60111 · Salary - General Manager	134,179.00	7,619.21	59,858.07	44.61%	74,320.93
60112 · Staff Regular Wages	723,167.00	58,431.60	332,737.93	46.01%	390,429.07
60114 · Staff Standby Pay	18,250.00	1,400.00	9,100.00	49.86%	9,150.00
60115 · Staff Overtime Pay	11,000.00	175.68	4,134.94	37.59%	6,865.06
Total 60110 · Salaries & Wages	<u>886,596.00</u>	<u>67,626.49</u>	<u>405,830.94</u>	<u>45.77%</u>	<u>480,765.06</u>
60150 · Employee Benefits & Expense					
60151 · PERS Retirement	152,028.00	11,691.93	71,097.67	46.77%	80,930.33
60152 · Workers Compensation	8,293.00	554.70	5,336.34	64.35%	2,956.66
60153 · Group Insurance	239,340.00	17,238.50	98,636.69	41.21%	140,703.31
60154 · Retirees Insurance	16,200.00	0.00	4,198.20	25.92%	12,001.80
60155 · Staff Training	5,000.00	0.00	225.00	4.50%	4,775.00
60157 · Uniforms	7,770.00	1,100.15	4,436.85	57.10%	3,333.15
60158 · Payroll Taxes	69,649.00	5,268.46	31,288.57	44.92%	38,360.43
60159 · Payroll Service	1,860.00	102.00	822.25	44.21%	1,037.75
60160 · 457 Employer Contribution	20,300.00	1,576.87	9,416.44	46.39%	10,883.56
Total 60150 · Employee Benefits & Exp	<u>520,440.00</u>	<u>37,532.61</u>	<u>225,458.01</u>	<u>43.32%</u>	<u>294,981.99</u>
Total 60100 · Personnel Services	<u>1,407,036.00</u>	<u>105,159.10</u>	<u>631,288.95</u>	<u>44.87%</u>	<u>775,747.05</u>

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
December 2024

	<u>Annual Budget</u>	<u>Dec 24</u>	<u>YTD Jul-Dec 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
60200 · Administration					
60205 · Bank & Merchant Fees	1,850.00	73.90	688.50	37.22%	1,161.50
60207 · Board Meeting Fee	13,900.00	1,600.00	3,900.00	28.06%	10,000.00
60210 · Building Expenses					
60211 · Office Utilities	7,500.00	458.34	3,180.02	42.40%	4,319.98
60212 · Janitorial	2,340.00	195.00	1,170.00	50.00%	1,170.00
60213 · Maintenance	4,500.00	95.00	797.92	17.73%	3,702.08
60214 · Security	500.00	0.00	234.00	46.80%	266.00
Total 60210 · Building Expenses	14,840.00	748.34	5,381.94	36.27%	9,458.06
60220 · Computer & Equipment Maint.					
60221 · Computer Systems	40,000.00	2,242.19	17,171.61	42.93%	22,828.39
60222 · Office Equipment	875.00	56.23	439.50	50.23%	435.50
Total 60220 · Computer & Equipment Maint.	40,875.00	2,298.42	17,611.11	43.09%	23,263.89
60230 · Office Expense	8,000.00	1,057.88	2,733.61	34.17%	5,266.39
60240 · Postage and Delivery	23,500.00	821.40	11,552.56	49.16%	11,947.44
60250 · Printing	11,500.00	298.98	5,616.87	48.84%	5,883.13
60255 · Meetings & Conferences	100.00	0.00	0.00	0.00%	100.00
60260 · Publishing	1,500.00	0.00	400.00	26.67%	1,100.00
60270 · Telephone & Internet	4,750.00	246.24	1,414.60	29.78%	3,335.40
60430 · Insurance					
60431 · General Liability	36,100.00	2,927.88	16,675.35	46.19%	19,424.65
60432 · Property	17,102.00	1,199.24	7,195.44	42.07%	9,906.56
Total 60430 · Insurance	53,202.00	4,127.12	23,870.79	44.87%	29,331.21
60500 · Water Memberships					
60503 · SGA	32,787.00	0.00	32,787.00	100.00%	0.00
60504 · ACWA	12,230.00	12,230.00	12,230.00	100.00%	0.00
60507 · CRWA	1,582.00	0.00	1,582.00	100.00%	0.00
Total 60500 · Water Memberships	46,599.00	12,230.00	46,599.00	100.00%	0.00
60550 · Permits & Fees	55,000.00	36,403.72	40,746.24	74.08%	14,253.76
60555 · Subscriptions & Licensing	2,120.00	166.09	684.18	32.27%	1,435.82
60560 · Elections	26,177.02	26,177.02	26,177.02	100.00%	0.00
60565 · Uncollectible Accounts	5,500.00	0.00	0.00	0.00%	5,500.00
60570 · Other Operating Expenses	322.98	0.00	0.00	0.00%	322.98
Total 60200 · Administration	309,736.00	86,249.11	187,376.42	60.50%	122,359.58

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
December 2024**

9

	<u>Annual Budget</u>	<u>Dec 24</u>	<u>YTD Jul-Dec 24</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
64000 · Conservation					
64001 · Community Outreach	500.00	0.00	0.00	0.00%	500.00
Total 64000 · Conservation	500.00	0.00	0.00	0.00	500.00
65000 · Field Operations					
65100 · Other Field Operations					
65110 · Back Flow Testing	3,000.00	104.14	348.82	11.63%	2,651.18
65120 · Construction Equip Maintenance	10,500.00	0.00	2,086.85	19.88%	8,413.15
65130 · Field Communication	3,400.00	214.12	1,334.33	39.25%	2,065.67
65140 · Field IT	35,000.00	2,505.91	18,328.77	52.37%	16,671.23
65150 · Laboratory Services	45,000.00	1,854.07	46,330.07	102.96%	-1,330.07
65160 · Safety Equipment	6,000.00	0.00	1,389.86	23.16%	4,610.14
65170 · Shop Supplies	8,000.00	92.07	4,614.91	57.69%	3,385.09
Total 65100 · Other Field Operations	110,900.00	4,770.31	74,433.61	67.12%	36,466.39
65200 · Treatment	35,000.00	1,446.72	19,987.27	57.11%	15,012.73
65300 · Pumping					
65310 · Maintenance	25,000.00	10,234.79	15,480.76	61.92%	9,519.24
65320 · Electricity & Fuel	260,000.00	15,475.43	131,408.94	50.54%	128,591.06
Total 65300 · Pumping	285,000.00	25,710.22	146,889.70	51.54%	138,110.30
65400 · Transmission & Distribution					
65410 · Distribution Supplies	50,000.00	9,030.56	35,224.05	70.45%	14,775.95
65430 · Tank Maintenance	6,500.00	0.00	0.00	0.00%	6,500.00
65440 · Contract Repairs	70,000.00	0.00	0.00	0.00%	70,000.00
65450 · Valve Replacements	30,000.00	0.00	28,727.75	95.76%	1,272.25
65460 · Paving Repairs	30,000.00	0.00	0.00	0.00%	30,000.00
Total 65400 · Transmission & Distribution	186,500.00	9,030.56	63,951.80	34.29%	122,548.20
65500 · Transportation					
65510 · Fuel	18,000.00	818.18	7,453.54	41.41%	10,546.46
65520 · Maintenance	9,000.00	0.00	2,015.43	22.39%	6,984.57
Total 65500 · Transportation	27,000.00	818.18	9,468.97	35.07%	17,531.03
Total 65000 · Field Operations	644,400.00	41,775.99	314,731.35	48.84%	329,668.65
Total 60000 · Operating Expenses	2,507,672.00	252,213.10	1,218,284.88	48.58%	1,289,387.12
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	162,415.00	0.00	67,415.00	41.51%	95,000.00
69110 · Interest	39,343.00	0.00	20,175.27	51.28%	19,167.73
Total 69100 · Revenue Bond	201,758.00	0.00	87,590.27	43.41%	114,167.73
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,517.00	0.00	0.00	0.00%	1,517.00
Total 69200 · PERS ADP Loan	31,517.00	0.00	0.00	0.00%	31,517.00
Total 69010 · Debt Service	233,275.00	0.00	87,590.27	37.55%	145,684.73
69400 · Other Non-Operating Expense	2,300.00	0.00	0.00	0.00%	2,300.00
Total 69000 · Non-Operating Expenses	235,575.00	0.00	87,590.27	37.18%	147,984.73
Total Operating & Non-Operating Expense	2,743,247.00	252,213.10	1,305,875.15	47.60%	1,437,371.85
Net Revenue	672,088.00	-88,079.05	459,937.09		

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
 CAPITAL BUDGET 2024-2025
 December 2024

Description	Annual Budget	Dec 24	YTD Jul-Dec 24	% of Annual Budget	YTD Budget Balance
Raising/Lowering Valve Covers	40,000.00	0.00	33,600.00	84.00%	6,400.00
Well 15 Cr6 Treatment	171,000.00	0.00	3,080.00	1.80%	167,920.00
Server Replacement	9,500.00	0.00	9,500.00	100.00%	0.00
Total Continued Ongoing Projects	220,500.00	0.00	46,180.00	20.94%	174,320.00
Annual Miscellaneous Pump Replacements	30,000.00	0.00	0.00	0.00%	30,000.00
Annual Small Meter Replacements	120,000.00	0.00	2,153.71	1.80%	117,846.29
Annual Large Meter Replacements	5,000.00	0.00	0.00	0.00%	5,000.00
Annual Pipeline Replacement	270,650.00	0.00	270,650.00	100.00%	0.00
Total New Annual Projects	425,650.00	0.00	272,803.71	64.09%	152,846.29
Field Truck Replacement	40,000.00	0.00	0.00	0.00%	40,000.00
Total New Projects	40,000.00	0.00	0.00	0.00%	40,000.00
Total FY 2024-25	\$686,150.00	\$0.00	\$318,983.71	46.49%	\$367,166.29

**Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
October - December 2024**

10

	<u>Annual Budget</u>	<u>Oct-Dec 24 Current QTR</u>	<u>July-Dec 24 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	40,000.00	11,262.07	21,857.82	54.65%	18,142.18
	<u>40,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>	<u>54.65%</u>	<u>18,142.18</u>
44100 · Capacity Fee Revenue	50,000.00	0.00	0.00	0.0%	50,000.00
Total Income	<u>90,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>	<u>24.29%</u>	<u>68,142.18</u>
Gross Income	<u>90,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>	<u>24.29%</u>	<u>68,142.18</u>
Net Income	<u>90,000.00</u>	<u>11,262.07</u>	<u>21,857.82</u>		

Rio Linda Elverta Community Water District
Unaudited Surcharge 1 Profit & Loss Budget Performance
October - December 2024

	<u>Annual Budget</u>	<u>Oct-Dec 24 Current QTR</u>	<u>July-Dec 24 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	1,948.24	2,896.65	100.0%	-2,896.65
41112 · Interest Revenue	1,000.00	5,976.98	12,805.73	1,280.57%	-11,805.73
41113 · Market Value Adjustment	0.00	689.78	6,196.98	100.0%	-6,196.98
	<u>1,000.00</u>	<u>8,615.00</u>	<u>21,899.36</u>	<u>2,189.94%</u>	<u>-20,899.36</u>
43010 · Surcharge 1 Revenue	532,380.00	88,877.56	205,531.86	38.61%	326,848.14
Total Income	<u>533,380.00</u>	<u>97,492.56</u>	<u>227,431.22</u>	<u>42.64%</u>	<u>305,948.78</u>
Gross Income	533,380.00	97,492.56	227,431.22	42.64%	305,948.78
Expense					
69150 · Surcharge 1 Loan					
69155 · Principle	389,231.00	198,362.34	198,362.34	50.96%	190,868.66
69160 · Interest	72,124.00	32,314.98	32,314.98	44.81%	39,809.02
69170 · Admin Fees	2,300.00	539.30	1,070.58	46.55%	1,229.42
Total 69150 · Surcharge 1 Loan	<u>463,655.00</u>	<u>231,216.62</u>	<u>231,747.90</u>	<u>49.98%</u>	<u>231,907.10</u>
Total Expense	<u>463,655.00</u>	<u>231,216.62</u>	<u>231,747.90</u>		
Net Income	<u>69,725.00</u>	<u>-133,724.06</u>	<u>-4,316.68</u>		

Rio Linda Elverta Community Water District
Unaudited Surcharge 2 Profit & Loss Budget Performance
October - December 2024

11

	<u>Annual Budget</u>	<u>Oct-Dec 24 Current QTR</u>	<u>July-Dec 24 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	100.00	24.89	50.68	50.68%	49.32
	<u>100.00</u>	<u>24.89</u>	<u>50.68</u>	<u>50.68%</u>	<u>49.32</u>
43050 · Surcharge 2 Revenue	442,716.00	73,908.72	170,912.56	38.61%	271,803.44
Total Income	<u>442,816.00</u>	<u>73,933.61</u>	<u>170,963.24</u>	<u>38.61%</u>	<u>271,852.76</u>
Gross Income	442,816.00	73,933.61	170,963.24	38.61%	271,852.76
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	240,000.00	0.00	125,000.00	52.08%	115,000.00
69185 · Interest	74,293.00	0.00	34,194.67	46.03%	40,098.33
Total 69175 · Surcharge 2 Loan	<u>314,293.00</u>	<u>0.00</u>	<u>159,194.67</u>	<u>50.65%</u>	<u>155,098.33</u>
Total Expense	<u>314,293.00</u>	<u>0.00</u>	<u>159,194.67</u>		
Net Income	<u><u>128,523.00</u></u>	<u><u>73,933.61</u></u>	<u><u>11,768.57</u></u>		



**Items for Discussion and Action
Agenda Item: 4.1**

Date: February 24, 2025
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 _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Date: February 24, 2025

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

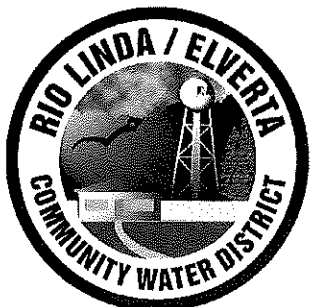
For the given month, I participated in the following recurring meetings and special events. Ongoing labor negotiations, and engaging a new Legal Counsel have demanded additional resources during this reporting period.

1. On January 30th I met with the Negotiations Ad Hoc Committee to contemplate a response to the Teamster's counter proposal from 1-17-2025.
2. From January 28th through February 13th, I corresponded (phone and email) with the Andreas Booher of Best, Best, and Krieger regarding the engagement agreement and pressing matters at the District.
3. On February 6th, The Accounting Specialist participated in a meeting with Continental Utility Systems Inc. (CUSI, or billing software services provider), to learn about free outreach tools for encouraging paperless billing and online bill paying. The Accounting Specialist shared the information and materials with all appropriate staff.
4. On February 12th, I participated in the monthly Executive Committee meeting. The Accounting Specialist attended this meeting due to the volume and extent of financial reporting items on the agenda. The Executive Committee agenda also included a discussion of the upcoming unavailability of the General Manager and planned mitigation measure therefor.
5. On February 13th, I participated in the special Board meeting to consider engagement of Best, Best and Krieger for legal services.
6. On February 18th and 19th, I consulted with the Board President and Legal Counsel regarding a requested agenda item from an individual Board Member.
7. On February 20th I met with Teamsters Local 150 at their facility to convey the Negotiations Ad Hoc Committee's response to Teamsters proposal from 1-17-2025.
8. On February 20th (afternoon), I participated in a joint meeting of the Regional Groundwater Contamination Group and the Regional Water Authority.

Throughout the reporting period, additional demands for resources were incurred from:

- Engaging a new Legal Counsel
- Corresponding with the Ad Hoc Committee and Teamsters on negotiations for MOU renewal.
- Planning and responding to new dynamics and objectives of the new Executive Committee.

Inflation has begun to trend upward. Fuel prices have dramatically increased in the past few weeks.



**Items for Discussion and Action
Agenda Item: 4.2**

Date: February 24, 2025
Subject: Public Works Projects Report
Contact: Mike Vasquez, Contract District Engineer

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

Contract District Engineer, Mike Vasquez will provide a 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 _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



19 February 2025

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 24 February 2025 Board of Directors Meeting**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 22 January 2025 to 19 February 2025:

1. **Water Loss Standards and Water Use Efficiency:** As part of the ongoing effort to prepare and submit required reports to the State Water Board, the District is required to submit a classification identifying the top 2.5% and top 20% of overall Commercial, Industrial, and Institutional (CII) water users by 07/01/2025. Staff will prepare and submit the classification. A schedule for future required State Water Board submittals is attached to this report as information only.
2. **Well 15 Hexavalent Chromium Treatment Project:** The General Manager and District Engineer met with the design consultant and a service provider for roll up resin regeneration on 02/18/2025. The General Manager and District Engineer also met separately on the same day with the design consultant to restart the treatment system design. The design consultant will prepare a cost/benefit analysis for investing upfront capital funds to allow for roll up regeneration connection, performing roll up regeneration, or replacing filter media approximately every 5 years, including operation and maintenance costs. The design consultant will also continue preparing a schematic design for the treatment facility. The draft schematic design is anticipated to be submitted for District review in April.

The Hexavalent Chromium Maximum Contaminant Level (MCL) Compliance date is 10/01/2027. Initial hexavalent chromium sampling is due by 04/01/2025, and a compliance plan is due to the State Water Board within 90 days thereafter for sources that exceed the hexavalent chromium MCL. Up to date hexavalent chromium sample test results for each District groundwater well will be available at that time. A State Water Board excerpt stating these requirements is attached to this report as information only.

3. **2025/2026 FY Pipeline Replacement Project:** Operations Staff is investigating and confirming water valve replacement locations to be included as the preferred project alternative for next fiscal year's Capital Improvement Program's project. It is anticipated to bring an agenda item to the June Board Meeting requesting approval of a construction agreement, where construction would commence after July 1st.
4. **Development Review (Archway Avenue west of Paladin Way):** Staff reviewed and approved final improvement plans submitted by the developer's engineer on 02/13/2025

for installation of an 8" water main and associated water facility appurtenances on Archway Avenue to serve two new residential parcels.

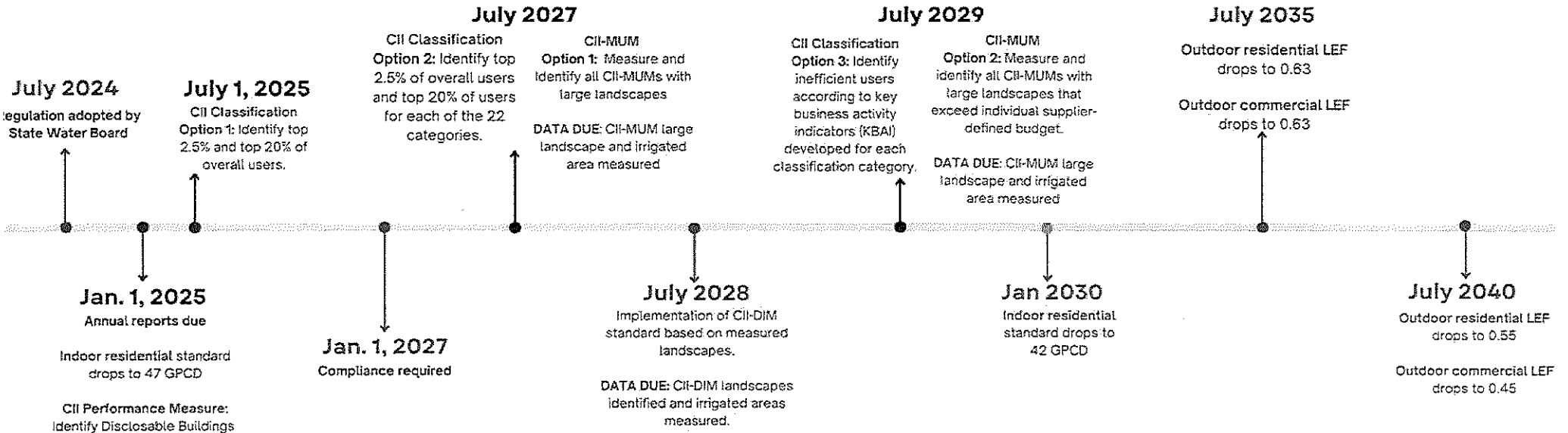
5. **Grant Funding Research for Future District Infrastructure Projects:** Staff researched potential grant funding opportunities for future District infrastructure projects. The State Water Board administers the Drinking Water State Revolving Fund (DWSRF) program for planning/design and construction projects. Funding combinations and ratios between grant and loan components vary within the program for water systems that are classified as a severely disadvantaged community (SDAC), disadvantaged community (DAC), or non-disadvantaged community (Non-DAC). The District is classified as Non-DAC. This funding program's application process is very competitive for water systems that are classified as Non-DAC. If awarded, funding availability for Non-DAC's would likely be mostly or all loan as opposed to grant, and on a reimbursement basis. The application process can take 18-24 months for State Water Board review, cost approximately \$15,000 to prepare, not including any requested studies, with no assurances of approval. Staff will continue to monitor available grant funding opportunities and report to the Board as appropriate.
6. **Lead Pipe Inventory – Private Property Side:** Operations Staff is leading a strategy and effort to begin field shovel excavations on the downstream side of the water meter and within public right-of-way, to assess water service pipe material type. This will be a 2-3 year process.

Please contact me at 530-682-9597, or email at gmvasquez@vasquez-engineering.com with any questions or require additional information.

Respectfully,

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

Making Conservation a CA Way of Life Regulation TIMELINE



**July 2024 - June 2040: Outdoor Residential Standard = 0.55 for new customers
Outdoor CII Standard = 0.45 for new customers**

July 2024 - June 2028: CII DIM standard equals actual deliveries as reported in eAR **July 2028 onwards: CII DIM standard based on CII-DIM irrigable area**



Hexavalent Chromium MCL (SWRCB-DDW-21-003)

Background and Additional Resources

- [Frequently asked questions \(FAQ\) | Preguntas frecuentes](#)
- [Hexavalent Chromium Information](#)
- [Hexavalent Chromium Compliance Plan: Guidance | Template](#)

Summary of Rulemaking

This rulemaking is effective as of October 1, 2024.

MCL: 0.010 mg/L or 10 µg/L

DLR: 0.0001 mg/L or 0.1 µg/L

Hexavalent Chromium MCL Compliance Dates

(from Table 64432-B in 22 CCR 64432)

System Size (Service Connections Served on October 1, 2024)	Hexavalent Chromium MCL Compliance Date
10,000 or greater	October 1, 2026
1,000 to 9,999	October 1, 2027
Fewer than 1,000	October 1, 2028

- Community and Nontransient-noncommunity (NTNC) systems must complete initial sampling by April 1, 2025.
- Compliance plans are required within 90 days for sources that exceed the hexavalent chromium MCL before the applicable date in Table 64432-B.
- Details and additional information are available in our Frequently Asked Questions (Preguntas frecuentes). Water systems that have system-specific questions should contact their assigned DDW engineer. For other questions not answered by the FAQ, please email DDWRegUnit@Waterboards.ca.gov.

Sections Affected

Sections Affected: California Code of Regulations, Title 22, sections 64415, 64431, 64432, 64447.2, 64463.4, 64465, and 64481.



**Items for Discussion and Action
Agenda Item: 4.3**

Date: February 24, 2025

Subject: Cost of Replacing Two Workstation Computers

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A This item was not discussed at Committee

Current Background and Justification:

A request was from an individual Board Member for an agenda stemming from a social media post questioning the asserted cost for replacing the two oldest workstation computers. A post with handwritten notes on a monthly Board report (Completed and Pending Items) suggested that the District was paying \$9,000 to replace the old computers. The actual estimated cost is approximately \$750 for each workstation.

After conferring with the Board President and Legal Counsel, the consensus was to place an open session item on the agenda to address the misinformation and encourage better communication under similar circumstances.

Items 5.1.5 and 5.1.6 are tangible reminders regarding complying with the Brown Act on social media.

Conclusion:

Board action is neither required nor anticipated. The Board should engage in discussion to include preferred modes of communication and discouraging misinformation.

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Items for Discussion and Action
Agenda Item: 4.4

Date: February 24, 2025
Subject: Review Draft Financial Resources Guide
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee thoroughly discussed the Draft Financial Resources Guide and recommended review of the Guide by all Board Members.

Current Background and Justification:

The Draft Financial Resources Guide was authored by the Accounting Specialist with the intent of improving transparency and improving efficiency for responding to questions recurrently received regarding District financial reports.

Although Board approval of the Guide is not required, it is entirely appropriate to seek feedback from Board Members and the public on the content of the Guide.

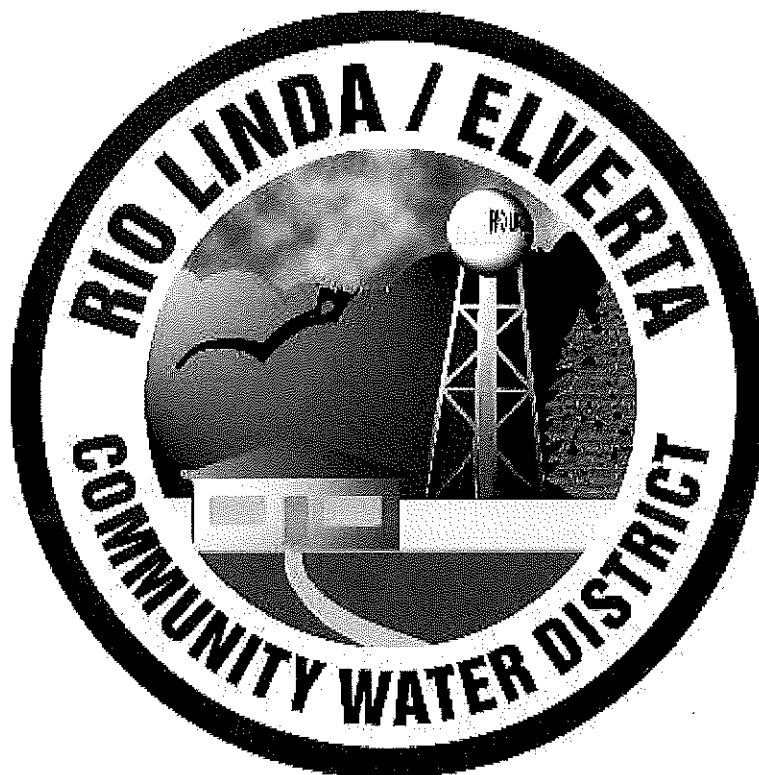
Conclusion:

Board action is neither required nor anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



FINANCIAL RESOURCE GUIDE

Abstract

The financial resource guide is to instruct and assist users on how to read the financial reports of the Rio Linda Community Water District. For comments and questions please email to ddenning@rlcwd.com

Contents

- Purpose of this Guide..... 3
- Overview 3
 - Financial Reporting Year..... 3
 - Basis of Presentation – Fund Accounting..... 3
 - Basis of Accounting 4
 - Chart of Accounts..... 4
- Expenditures Report 4
 - What is it? 4
 - Why is it important?..... 5
 - When is it issued? 5
 - Where can I find it?..... 5
 - How do I read it?..... 5
- Financial Statements Report 7
 - What is it? 7
 - Overview of the Balance Sheet..... 7
 - Overview of the Profit and Loss Statements..... 8
 - Why is it important?..... 8
 - When is it issued? 8
 - Where can I find it?..... 8
 - How do I read it?..... 8
 - Balance Sheet..... 9
 - Profit & Loss Statements 16
- Budget Report 20
 - What is it? 20
 - District Policy 3.07..... 20
 - Why is it important?..... 21
 - When is it issued? 21
 - Where can I find it?..... 21
 - How do I read it?..... 21
 - Executive Summary 21
 - Understanding the Budget Document 21
 - District Profile..... 22

Operating Budget 22

Capital Budget 23

Best Practice on Budget Monitoring 23

Annual Comprehensive Financial Report (ACFR) 26

 What is it? 26

 Why is it important?..... 26

 When is it issued? 26

 Where can I find it?..... 26

 How do I read it? 26

 Introductory Section 26

 Financial Section 27

 Statistical Section 28

Annual California State Controllers Reports 30

 Financial Transactions Report 30

 Government Compensation Report..... 30

Glossary..... 31

Purpose of this Guide

The purpose of this guide is to better understand the Rio Linda Elverta Community Water District's (RLECMD or District) publicly available financial reports.

Governmental accounting and financial reporting are intended to provide assurance that available governmental resources are controlled and spent in accordance with the organizational spending, product and service delivery decisions, and a variety of finance related legal and contractual provisions.

Financial reporting demonstrates accountability and transparency by communicating information to its various users (e.g., ratepayers, board members, state agencies, management, and staff), which is useful to make important decisions.

The financial reports described in this guide are the following:

- [Expenditures Report](#)
- [Financial Statements Report](#)
- [Budget Report](#)
- [Annual Comprehensive Financial Report \(ACFR\) including the Financial Audit](#)
- [Annual California State Controller Reporting Requirements](#)

Overview

An overview of governmental accounting terminology as it pertains to the District will provide a foundation of knowledge to begin the quest to understand the District's financial reports.

Financial Reporting Year

A financial reporting year, also known as a fiscal year, is a 12-month accounting period used to prepare financial statements and calculate profits, losses, and budgets. It's used by businesses, governments, and other organizations. A fiscal year begins and ends on specific dates.

The District's fiscal year begins on July 1st and ends on June 30th.

Basis of Presentation – Fund Accounting

The District's resources are allocated to and accounted for in basic financial statements as an enterprise fund type of the proprietary fund group.

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies.

Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted, and amounts unrestricted.

Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The basis of accounting refers to the timing varieties when financial events gets recorded.

There are two types of accounting basis:

- **Cash Basis** – Revenues are recorded when received and expenses are recorded at the time liabilities are paid. For example, when the District purchases chemical supplies on June 30th but does not pay for the supplies until July, the expense would be recognized in July, not June.
- **Accrual Basis** – Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Using the above example, the chemical supplies purchase would be recognized on June 30th.

The District records all financial transactions on an accrual basis. The Expenditure Reports discussed later is reported on a cash basis.

Chart of Accounts

The chart of accounts is the most important list and is considered the backbone of an accounting system. The purpose of a chart of accounts is to provide a complete list of the accounts of the District's general ledger accounts and their balances. It tracks how much money the entity has, how much money it owes, how much money is coming in, and how much is going out.

The Districts chart of accounts has been designed to coincide with the Financial Transactions Report for transparency and readability and will be discussed in more detail.

The chart of accounts consists of:

- **Balance Sheet Accounts**
- **Revenue/Income and Expense Accounts**

Expenditures Report

What is it?

The expenditure report in its simplest form is the District's check register for operating (day-to-day), capital expenditures (capitalized as an asset), and other accounts grouped by bank account. An expenditure represents a payment to purchase budgeted goods or services and is a reduction in the fund or bank account.

Most expenditures are paid through the operating account including capital and debt service payments. When this happens, the District transfers the money from the other accounts to reimburse the operating account.

Why is it important?

Transparency is our utmost priority. By listing the paid budgeted expenditures users can seek further clarification from the District regarding paid budgeted expenditures.

When is it issued?

Every month the District provides an expenditure report. The expenditures are reported in arrears. For example, if the meeting is in June, the expenditures report will be for April.

Where can I find it?

The report is included in both the Executive Committee and Board meeting packets. The District posts the agendas on our [Facebook page](#) and website at <https://www.rlecwd.com/board-meetings>. As required by The Brown Act, users will find the meeting packets posted on the website and Facebook page a minimum of 72 hours prior to the meeting.

How do I read it?

The expenditure report includes the following information:

- **Top Header**
 - Accounting Basis – The report uses a Cash Basis of accounting. Please refer to [Accounting Basis](#) and the [Glossary](#) for definitions.
 - Month and year of report
- **Body of Report**
 - Date – The date of the payment.
 - Num – The transaction number of the expenditure. If it is an electronic payment, it will be noted with EFT. If it is a number, it represents the number of the check.
 - Name – Payee.
 - Memo – The description of the expenditure using the chart of account name.
 - Amount – The dollar amount of the paid expenditure.
- **Expenditure Totals** – Report is grouped by bank account and type of expenditure.
 - Operating Account Budgeted Expenditures – Sum of all budgeted expenditures paid with the operating account.
 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs – Sum of all non-budgeted employee paid pass-throughs.
 - The District will also show an expenditure report of other accounts where money is to be expended from for disbursements paid by the Operating Account. For example, if the District paid a Capital Expenditure, a transfer amount from the Capital Improvement Account to the Operating Account will be made to offset the capital disbursement.

Below is an example to show the formatting of the report. Larger examples will be found on the website in board packets.

Cash Basis

**Rio Linda Elverta Community Water District
Expenditure Report
June 2024**

Date	Num	Name	Memo	Amount
06/27/2024	EFT	Voyager	Transportation Fuel	236.93
06/27/2024	EFT	Western Health	Health Insurance	12,559.18
06/27/2024	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	50,976.00
06/27/2024	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	86,623.90
06/27/2024	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	73,700.17
06/27/2024	3036	Sacramento County Clerk/Recorder	Lien Fees	220.00
06/27/2024	3037	Government Finance Officers Association	Dues & AFCR - Reface check 2902	610.00
06/27/2024	3038	Customer	Final Bill Refund	10.86
06/27/2024	3039	AM Conservation Group	Conservation - Replace check 2707	333.84
06/27/2024	3040	Buckmaster Office Solutions	Printing	71.09
06/27/2024	3041	Chacon, Socond	Lien Fees	310.00
06/27/2024	3042	DirectHit Pest Control	Pest control service	95.00
06/27/2024	3043	Rio Linda Elverta Recreation & Park District	Meeting Expense	100.00
06/27/2024	3044	RW Trucking	Distribution Supplies	774.50
06/27/2024	3045	Sierra Chemical Company	Chemical Supplies	3,451.20
06/27/2024	3046	USA BlueBook	Safety	703.45
06/27/2024	3047	VOID	VOID	0.00
06/27/2024	3048	Ferguson Enterprises	Capital Improvement Small Meter Replacement	29,635.56
06/27/2024	3049	VOID	VOID	0.00
Total 10020 - Operating Account Budgeted Expenditures				<u>448,483.61</u>

06/13/2024	EFT	California State Disbursement Unit	Employee Garnishment	227.53
06/13/2024	3020	Teamsters	Union Dues	813.00
06/15/2024	EFT	AFLAC	Employee Funded Premiums	745.84
06/27/2024	EFT	California State Disbursement Unit	Employee Garnishment	227.53
06/30/2024	EFT	WageWorks	FSA Expenditures - Employee Funded	1,386.59
Total 10020 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs				<u>3,400.49</u>

Financial Statements Report

What is it?

As a steward of public monies, every governmental entity should prepare and publish financial statements as a matter of public record. Financial statements provide information about operations, cash flows, assets, and liabilities that account for the government's management and use of funds.

The financial statements provide the data in a summarized form that can be compared to similar entities and evaluated against the goals of the community.

The District's Financial Statements report consists of the balance sheet and profit and loss statements. Below describes each report and the definitions of each.

Overview of the Balance Sheet

The balance sheet shows the value of the District's assets, liabilities, and net position as of a particular day. The value of the assets is always equal to the combined value of the liabilities and net position (another term is called equity).

Assets represent future economic benefits and what the District owns. The assets is grouped into 3 types:

- Current Assets – Cash, Accounts Receivable, Accrued Revenues, Inventory, and Prepaid Expenses. These assets can be converted into cash easily. Cash assets are defined as:
 - Cash and Cash Equivalents – For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents including bank deposits and money market accounts. These are considered non-restricted cash assets.
 - Restricted Assets – Certain proceeds of the District's long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants and ordinances.
- Capital Assets (Non-current Assets) – Long-lived tangible and intangible assets obtained or controlled because of past transactions, events or circumstances. Capital assets are acquired for long-term investment and are not expected to be converted into cash quickly. Capital assets can also be called fixed assets. It is the District's policy to capitalize assets with an initial cost of more than \$5000 and an estimated useful life more than one year.
- Other Assets – Other assets not classified in the other two categories.

Liabilities represent what the District owes or present obligations to transfer resources in the future due to past transactions or events. Liabilities are classified as current and noncurrent liabilities.

Net Position is a residual concept equity is what's left after subtracting liabilities from assets or Net Position = Assets – Liabilities.

The District's balance sheet accounts will be discussed later in [How do I read it?](#)

Overview of the Profit and Loss Statements

A profit and loss statement is a financial report that shows the District's revenues, expenses and net profit or loss over a given period. The District's report compares it to the annual budget on a year-to-date basis.

Why is it important?

Most governments are unlike private-sector businesses—governments do not charge citizens directly for most services they receive but, rather, finance services with taxes or water rates, and other fees applied generally to the public.

Because citizens have little choice about paying these water rates and fees, and because it is not always clear how the rates and fees citizens pay relate to the services they receive, governments must take special care to demonstrate that they have been accountable to the public.

Financial statements are an important way for governments to demonstrate their accountability and to provide information that is useful for people to make decisions.

When is it issued?

The reports are prepared on a monthly and quarterly basis.

- Balance Sheet: Monthly
- Operating Profit & Loss Budget Performance: A condensed version is prepared monthly except for September, December, March, and June where the report is prepared in an expanded version.
- Capacity Revenue Profit & Loss Budget Performance: Quarterly in September, December, March, and June.
- Surcharge 1 Profit & Loss Budget Performance: Quarterly in September, December, March, and June.
- Surcharge 2 Profit & Loss Budget Performance: Quarterly in September, December, March, and June.

Where can I find it?

The report is included in both the Executive Committee and Board meeting packets. The District posts the agendas on our [Facebook page](#) and [website](#). As required by The Brown Act, users will find the meeting packets posted on the website and Facebook page a minimum of 72 hours prior to the meeting.

How do I read it?

We will use the basics we have learned previously and define each of the District's chart of accounts located on the reports.

Balance Sheet

The District's balance sheet is divided into types of accounts discussed previously in Overview of the Balance Sheet. The following section will identify and define the asset, liability, and net position accounts on the District's balance sheet.

Non-Restricted and Restricted Cash Assets

The District has several cash assets that are used for different purposes that are non-restricted and restricted.

Operating Account

The Operating account is unrestricted . It is used to pay for operating and capital expenditures. The Expenditure Report will provide the detail if an expenditure is a capital expense. In these scenarios, the Operating Account will be reimbursed by the appropriate fund account.

Capital Improvement Account

The Capital Improvement Account is unrestricted and used to pay for capital expenditures as outlined in the Capital Budget.

Zions Inv/Surcharge 1 Reserve

A restricted debt service account to establish a reserve as required by our 2011 Safe Drinking Water State Revolving Fund (SDWSRF) funding agreement # SRF111CX107, Article B-4 Reserve Fund. The Reserve Fund shall be maintained and administered by the Fiscal Agent.

The funds will remain in this account until the loan is paid off per the District's loan agreement.

Surcharge 1 Account

A restricted debt service account to pay the semi-annual payments per the 2011 Safe Drinking Water State Revolving Fund loan of \$7,179,072.79. This account will be closed after repayment of the loan or 20 years from the project completion date. The account shall be maintained and administered by the Fiscal Agent.

The funds will be used only for payment of principal and/or interest on the loan or delinquencies until loan is repaid in full per funding agreement Section 13 Fiscal Service and Deposit Account Control Agreement.

A surcharge fee of \$19.00 per billing cycle is charged to each active account and collected as a primary source of funds. The funds are deposited into the Operating Account then transferred bimonthly.

Umpqua Bank – Revenue Bond

A restricted debt service account to pay the semi-annual 2015 Water Revenue Refunding bond payments. The funds will be used only for payment of principal and/or interest on the loan or delinquencies until loan is repaid in full.

The set amount is paid by the Operating Fund per month to build up enough money for payment of the bonds when due.

Surcharge 2 Account

A restricted debt service account to pay the semi-annual payments of principal and/or interest on the loan or any delinquencies until loan is repaid in full per installment agreement Article IV, Section 4.4.

The account is where the collected Surcharge 2 revenues are deposited per the 2018 Installment Sale Agreement (originally with OPUS Bank) with Pacific Premier Bank. This account will be closed after repayment of the loan.

A surcharge fee of \$15.80 per billing cycle is charged to each account and collected as a primary source of funds. The funds are deposited into the Operating Account then transferred bimonthly.

Available Funding Cr6 Projects #1

A restricted account for the purposes of fund future Chromium (Cr6) Mitigation projects. The funds balance represents the remaining loan proceeds of Surcharge 2.

The account will be closed when all funds have been used for new Cr6 projects.

Available Funding Cr6 Projects #2

A restricted account for the purposes of fund future Chromium (Cr6) Mitigation projects. The funds balance represents the proceeds of the Regional Water Authority Grant for Well 16.

The account will be closed when all funds have been used for new Cr6 projects.

Future Capital Imp Projects

A restricted account for the purposes to fund specific board approved future capital improvement projects. On April 20, 2020, the board adopted a CIP Projects List that will allow the District to proactively designate specific annual amounts in its Capital Budget for specific capital improvement projects that are deemed necessary to be constructed by an established future date. These projects include:

- Annual Pipeline Replacement
- Well 12A Design
- Well 12A Construction

Each budgeting year, a detailed accounting of each project funding balance is maintained and reconciled to the ending fund balance.

LAIF Account – Capacity Fees

A restricted account for the 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.

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 ensure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs. Capacity fees are a one-time charge paid at the building permit stage, which is formally correlated to the cost of existing and future water capacity infrastructure, e.g. wells, pumps and water mains.

Annual contributions from capacity fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to the fund balance, using the District's earnings rate on investments. The amount of charge per connection is adjusted annually to account for changes in the cost of construction materials.

Operating Reserve Fund

A restricted account for the purpose to provide an emergency reserve fund to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures. The board of directors must have a board action to use these funds.

At each fiscal year budget, an analysis will be performed to determine the minimum target balance based upon the previous fiscal year's average monthly expenditures. Additionally, interest earnings will be accrued on and added to the fund balance, using the District's earnings rate on investments.

Other Current Assets

Other current assets on the District's balance sheet include:

- Accounts Receivable – Other: Outstanding receivables such as hydrant water use and other fees.
- Water Utility Receivable – The balance of the rate payers balanced owed.
- Accrued Interest Receivable – An asset account reflecting interest revenue incurred but not paid until a later date. Shows accrued interest included in the purchase price of capital assets purchased between interest dates.
- Inventory Asset – Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued on a first-in, first-out basis.
- Prepaid Expense – They represent payments made in advance for goods or services that will be received in the future.

Capital Assets

Capital assets are recorded at historical cost. Donated assets are valued at acquisition value on the date received. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction. Depreciation is calculated using the straight-line method over estimated useful lives of 8 to 60 years for transmission and distribution, and 3 to 50 years for general plant assets. Maintenance and repairs are charged to operations when incurred.

It is the District's policy to capitalize all capital assets with an initial cost of more than \$5,000 and an estimated useful life of more than one year. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

On the District's balance sheet there are the following categories of capital expenditures:

- General Plant Assets
 - Structures and Improvements
 - Office Furniture and Equipment (includes computer assets)
 - Maintenance Equipment and Tools
 - Transportation Equipment: Vehicles and Trailers

- Water System Facilities
 - Source of Supply
 - Structures and Improvements
 - New Wells
 - Pumping and Water Storage Plant
 - Pump Stations
 - Pumps and other related equipment
 - Water Storage Tanks
 - Power Generating Equipment
 - Water Treatment Plant
 - Chromium Treatment Plant
 - Disinfection Equipment
 - Transmission and Distribution
 - Large and Small Meter Replacements
 - Transmission and Distribution Mains
 - Service Lines
- Intangible Assets
 - Annexation Boundary Maps
 - Master Plans
 - Standard Improvement
 - Urban Water Management Plans
- Accumulated Depreciation & Amortization
- Construction in Progress – Capital expenditures not yet completed.
- Land – Land owned by the District either donated or purchased.

Other Assets

The District's other assets include:

- Additional Discretionary Payment (ADP) CalPERS Receivable – Per Resolution 2020-21, the District board of directors loaned itself \$500,000 with a 15-year term to pay down the CalPERS Unfunded Accrued Liability from the Future Capital Imp Projects account. The balance shown is the current balance that is owed back to the District.
- Deferred Outflows - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.
- Suspense Account – The goal of a suspense account is to temporarily hold transactions until they can be reassigned to the correct account in the general ledger. Typically, any balance will be cleared in the following reporting period.

Current Liabilities

Current Liabilities on the District balance sheet include the following:

- Accounts Payable – Represents outstanding money owed to creditors.
- Credit Cards – Represents outstanding money owed to the District credit card account.
- Other Current Liabilities - Represents outstanding other current liabilities including Payroll Liabilities, Compensated Absences Liability, Accrued Interest Payable, Security Deposits, and Current Portion of Long-term Liabilities.

Long-Term Liabilities

Long-term Liabilities on the District balance sheet include the following:

- OPEB Liability – Represents Other Post Employment Benefits (OPEB) are the expected costs of benefits that retired and current employees will receive after their employment. The liability is adjusted at year-end only.
- Lease Buy-Back – Represents the unearned revenue balance for future rental income on various cell tower leases.
- Surcharge 1 Loan – Represents the loan balance less the current short-term liabilities.
- Surcharge 2 Loan – Represents the loan balance less the current short-term liabilities.
- Water Rev Refunding – Represents the loan balance less the current short-term liabilities.
- ADP CalPERS Loan – Represents the internal loan balance less the current short-term liabilities.
- Net Pension Liability – Represents the underfunded value of the plan assets. If the present value of estimated pension obligation is greater than the fair value of plan assets, the plan is underfunded.
- Deferred Inflows – Pension and OPEB – This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net Position for the enterprise fund represents the amount available for future operations. The following will identify and define each account:

- Invested in Capital Assets, Net – Amount invested in capital assets, net of related debt.
- Restricted for Debt Service – Amount restricted for debt service used through external requirements imposed by creditors.
- Unrestricted – Amount of net position that is unrestricted for future operations.
- Net Revenue – Current net revenue for the fiscal year.

District Balance Sheet Example

Below is an example of the District's balance sheet. For the most recent reports, go to the District website called [Board Meetings](#). Go to any meeting and download the board packet where you can find the financial statements.

Accrual Basis

Rio Linda Elverta Community Water District
UnAudited Balance Sheet
As of June 30, 2024

ASSETS

Current Assets

100 - Cash & Cash Equivalents	
10000 - Operating Account	
10020 - Operating Fund-Umpqua	1,757,034.35
Total 10000 - Operating Account	1,757,034.35
10475 - Capital Improvement	
10480 - General	512,255.85
10485 - Vehicle Replacement Reserve	37,943.49
Total 10450 - Capital Improvement	550,204.34
Total 100 - Non-Restricted Cash & Cash Equivalents	2,307,238.69

102 - Restricted Assets

102.2 - Restricted for Debt Service	
10700 - ZIONS Inv/Surcharge 1 Reserve	529,963.38
10300 - Surcharge 1 Account	950,352.01
10350 - Umpqua Bank - Revenue Bond	40,425.67
10380 - Surcharge 2 Account	536,415.92
Total 102.2 - Restricted for Debt Service	2,057,156.98

102.4 - Restricted Other Purposes

10385 - Available Funding Cr6 Projects #1	476,076.47
10481 - Available Funding Cr6 Projects #2	505,000.00
10490 - Future Capital Imp Projects	1,823,879.83
10600 - LAIF Account - Capacity Fees	939,073.54
10650 - Operating Reserve Fund	337,490.41
Total 102.4 - Restricted Other Purposes	3,881,920.25

Total 102 - Restricted Assets	5,939,077.23
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Accounts Receivable	0.00
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Other Current Assets

12000 - Water Utility Receivable	45,389.45
12200 - Accrued Revenue	597,373.36
12250 - Accrued Interest Receivable	2,760.36
15000 - Inventory Asset	48,847.54
16000 - Prepaid Expense	18,818.88

Total Other Current Assets	712,750.59
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Total Current Assets	8,069,075.51
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Fixed Assets

17000 - General Plant Assets	853,984.26
17100 - Water System Facilities	25,323,453.83
17300 - Intangible Assets	383,083.42
17500 - Accum Depreciation & Amort	-12,521,210.98
18000 - Construction in Progress	1,124,580.28
18100 - Land	576,872.45

Total Fixed Assets	15,540,543.38
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Other Assets

18500 - ADP CalPERS Receivable	410,000.00
19000 - Deferred Outflows	1,108,047.00
19900 - Suspense Account	0.00

Total Other Assets	1,518,047.00
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TOTAL ASSETS	26,015,665.89
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Rio Linda Elverta Community Water District
UnAudited Balance Sheet
As of June 30, 2024

LIABILITIES & NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	127,747.04
Credit Cards	0.00
Other Current Liabilities	983,871.88
Total Current Liabilities	<u>1,091,618.92</u>
Long Term Liabilities	
23000 - OPEB Liability	37,482.00
23500 - Lease Buy-Back	459,522.27
25000 - Surcharge 1 Loan	2,314,710.45
25050 - Surcharge 2 Loan	1,835,040.16
26000 - Water Rev Refunding	1,187,101.00
26500 - ADP CalPERS Loan	380,000.00
27000 - AMI Meter Loan	0.00
29000 - Net Pension Liability	824,024.00
29500 - Deferred Inflows-Pension	97,916.00
29600 - Deferred Inflows-OPEB	44,171.00
Total Long Term Liabilities	<u>7,179,966.88</u>
Total Liabilities	8,271,585.80
Net Position	
31500 - Invested in Capital Assets, Net	10,089,591.46
32000 - Restricted for Debt Service	705,225.24
38000 - Unrestricted Equity	5,585,040.30
Net Income	1,404,223.02
Total Net Position	<u>17,744,080.02</u>
TOTAL LIABILITIES & NET POSITION	<u>26,015,665.82</u>

Profit & Loss Statements

The District's profit and loss statement reports use a budget performance analysis format with several columns:

- Annual Budget – District's current annual budget amount.
- Current Month – The current month's total revenue and expenses.
- Year-to-date (YTD) – The Districts current fiscal year year-to-date totals for revenue and expenses.
- Percent (%) of Annual Budget – The District's percentage of the total amount *remaining* left in the annual budget. This is calculated by taking the YTD column and dividing it by the Annual Budget Column.
- YTD Annual Budget Balance – The District's total amount *remaining* left in the annual budget.
 - A **positive amount** in both revenues and expenses tells the user of the report the District has not exceeded the annual budget.
 - A **negative amount** in the Revenue section tells the user of the report the District has exceeded the annual budget's projected revenues. In other words, the District has received revenues more than what was projected in the Annual Budget.
 - A **negative amount** in the Expense section tells the user of the report the District has exceeded the annual budget's projected expenses. In other words, the District has spent more than what was projected in the Annual Budget.

Operating Profit & Loss Budget Performance

The District's profit and loss relating to the Operating budget. The operating revenue and expenses are specifically related to providing water services to our ratepayers.

Following the description of the remaining profit and loss reports is an example.

Capital Budget vs Actual

The District's capital expenditures in comparison to the annual budget. Capital expenditures are those that are capitalized and depreciated over time. These capitalized expenditures are added to the Capital Assets on the balance Sheet at the end of the fiscal year.

Capacity Revenue Profit & Loss Budget Performance

The District's profit and loss related to the Capacity Fee revenue and expenses. A capacity fee is a one-time fee charged to customers who want to connect to a District's water system. The fee is intended to balance the costs of new and existing customers, and to ensure that new development is paid for by those who benefit from it. The revenues received from Capacity Fees are transferred to the LAIF account. These funds are restricted for future development projects.

Surcharge 1 Profit & Loss Budget Performance

The District's profit and loss related to Surcharge 1. The revenue received is used to pay for the Debt Service in relation to the loan. These revenues are restricted and transferred to the Surcharge 1 bank account.

Surcharge 2 Profit & Loss Budget Performance

The District's profit and loss related to Surcharge 2. The revenue received is used to pay for the Debt Service in relation to the loan. These revenues are restricted and transferred to the Surcharge 2 bank account.

Account Balans

Rio Linda Eterna Community Water District
Unaudited Operating Profit & Loss Budget Performance
June 2024

	Annual Budget	Jun 24	YTD Jul 23-Jun 24	% of Annual Budget	YTD Annual Budget Balance
60200 - Administration					
60205 - Bank & Merchant Fees	1,850.00	76.90	1,759.92	95.13%	90.08
60207 - Board Meeting Fee	13,900.00	500.00	8,550.00	61.51%	5,350.00
60210 - Building Expenses					
60211 - Office Utilities	7,261.00	721.36	6,600.69	90.91%	660.31
60212 - Janitorial	2,340.00	195.00	2,340.00	100.00%	0.00
60213 - Maintenance	4,000.00	95.00	3,709.32	92.73%	290.68
60214 - Security	400.00	0.00	369.00	92.25%	31.00
Total 60210 - Building Expenses	14,001.00	1,011.36	13,019.01	92.99%	981.99
60220 - Computer & Equipment Maint.					
60221 - Computer Systems	32,000.00	1,979.21	26,550.43	82.97%	5,449.57
60222 - Office Equipment	875.00	71.09	741.63	84.76%	133.37
Total 60220 - Computer & Equipment Maint.	32,875.00	2,050.30	27,292.06	83.02%	5,582.94
60230 - Office Expense	7,500.00	593.55	7,096.48	94.62%	403.52
60240 - Postage and Delivery	21,450.00	929.36	21,425.66	99.89%	24.44
60250 - Printing	8,500.00	254.85	8,038.37	94.57%	461.63
60255 - Meetings & Conferences	100.00	0.00	50.00	50.00%	50.00
60260 - Publishing	1,050.00	0.00	712.00	67.81%	338.00
60270 - Telephones & Internet	4,250.00	232.19	3,023.82	71.15%	1,226.18
60430 - Insurance					
60431 - General Liability	31,903.00	2,616.92	31,848.32	99.83%	54.68
60432 - Property	14,702.00	1,199.24	14,701.60	100.00%	0.40
Total 60430 - Insurance	46,605.00	3,816.16	46,549.92	99.88%	55.08
60500 - Water Memberships					
60503 - SGA	30,926.00	0.00	30,926.00	100.00%	0.00
60504 - ACWA	11,657.00	0.00	11,140.00	95.24%	517.00
60507 - CRWA	1,507.00	0.00	1,507.00	100.00%	0.00
Total 60500 - Water Memberships	44,130.00	0.00	43,573.00	98.74%	517.00
60550 - Permits & Fees	55,000.00	530.00	46,961.45	85.39%	8,038.55
60555 - Subscriptions & Licensing	2,120.00	103.00	1,604.00	75.66%	516.00
60560 - Elections	0.00	0.00	0.00	0.00%	0.00
60565 - Uncollectible Accounts	5,113.00	0.00	5,112.51	99.99%	0.49
60570 - Other Operating Expenses	500.00	0.00	0.00	0.00%	500.00
Total 60200 - Administration	258,944.00	10,097.57	234,768.10	90.66%	24,175.90
64000 - Conservation					
64001 - Community Outreach	500.00	0.00	333.84	66.77%	166.16
Total 64000 - Conservation	500.00	0.00	333.84	0.67	166.16

**Rio Linda Elverta Community Water District
Unaudited Operating Profit & Loss Budget Performance
June 2024**

	Annual Budget	Jun 24	YTD Jul 23-Jun 24	% of Annual Budget	YTD Annual Budget Balance
65000 - Field Operations					
65100 - Other Field Operations					
65110 - Back Flow Testing	3,000.00	0.00	1,264.58	42.15%	1,735.42
65120 - Construction Equip Maintenance	10,100.00	493.69	10,040.58	99.41%	59.42
65130 - Field Communication	3,400.00	246.06	2,803.10	82.44%	596.90
65140 - Field IT	35,000.00	2,121.08	28,771.40	82.20%	6,228.60
65150 - Laboratory Services	43,337.00	29,216.50	43,337.00	100.00%	0.00
65160 - Safety Equipment	6,000.00	3,107.37	3,392.78	56.55%	2,607.22
65170 - Shop Supplies	8,000.00	6.99	7,090.55	88.63%	909.45
Total 65100 - Other Field Operations	108,837.00	35,191.69	95,699.99	88.85%	12,137.01
65200 - Treatment	35,000.00	3,451.20	30,287.71	86.54%	4,712.29
65300 - Pumping					
65310 - Maintenance	25,000.00	1,736.58	20,414.22	81.66%	4,585.78
65320 - Electricity & Fuel	250,000.00	45,689.94	249,902.59	96.12%	10,097.41
Total 65300 - Pumping	285,000.00	47,426.52	270,316.81	94.85%	14,683.19
65400 - Transmission & Distribution					
65410 - Distribution Supplies	50,000.00	4,607.17	42,112.13	84.22%	7,887.87
65430 - Tank Maintenance	6,500.00	0.00	0.00	0.00%	6,500.00
65440 - Contract Repairs	70,000.00	0.00	59,281.73	84.69%	10,718.27
65450 - Valve Replacements	11,900.00	0.00	0.00	0.00%	11,900.00
65460 - Paving Repairs	8,563.00	0.00	0.00	0.00%	8,563.00
Total 65400 - Transmission & Distribution	146,963.00	4,607.17	101,393.86	68.99%	45,569.14
65500 - Transportation					
65510 - Fuel	18,000.00	1,195.14	16,090.39	89.39%	1,909.61
65520 - Maintenance	8,100.00	3,826.42	8,074.97	99.69%	25.03
Total 65500 - Transportation	26,100.00	5,021.56	24,165.36	92.59%	1,934.64
Total 65000 - Field Operations	601,900.00	95,698.14	522,863.73	86.87%	79,036.27
Total 60000 - Operating Expenses	2,348,212.00	282,414.22	2,162,086.35	91.65%	196,126.65
69000 - Non-Operating Expenses					
69010 - Debt Service					
69100 - Revenue Bond					
69105 - Principle	156,908.00	0.00	156,908.00	100.00%	0.00
69110 - Interest	44,087.00	-809.00	43,277.65	98.16%	809.35
Total 69100 - Revenue Bond	200,995.00	-809.00	200,185.65	99.60%	809.35
69125 - AMI Meter Loan					
69130 - Principle	139,741.00	0.00	139,726.82	99.99%	14.18
69135 - Interest	3,972.00	-14.37	3,947.11	99.37%	24.89
Total 69125 - AMI Meter Loan	143,713.00	-14.37	143,673.93	99.97%	39.07
69200 - PERS ADP Loan					
69205 - Principle	30,000.00	30,000.00	30,000.00	100.00%	0.00
69210 - Interest	1,628.00	1,628.00	1,628.00	100.00%	0.00
Total 69200 - PERS ADP Loan	31,628.00	31,628.00	31,628.00	100.00%	0.00
Total 69010 - Debt Service	376,336.00	30,804.63	375,487.68	99.78%	848.42
69400 - Other Non-Operating Expenses	2,300.00	0.00	1,430.00	62.17%	870.00
Total 69000 - Non-Operating Expenses	378,636.00	30,804.63	376,917.68	99.55%	1,718.42
Total Expense	2,726,848.00	313,218.85	2,529,003.93	92.75%	197,844.07
Net Ordinary Income	537,787.00	181,331.07	733,543.18		
Net Income	537,787.00	156.00	733,543.18		

Budget Report

What is it?

The Budget report is the instrument used by the District staff to present the proposed plan of financial operations of the District to the Board of Directors. It includes the proposed Budget, and all supporting statements, details, schedules, statistics, messages, summaries and other information deemed appropriate by the General Manager. The District follows policy 3.07.

District Policy 3.07

The District's policy governs when the budget will be completed:

3.07.100 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).

3.07.200 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.

3.07.300 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.

3.07.400 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.

3.07.500 Minor Revisions and reallocations 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.

Why is it important?

A key objective of the operating budget is to ensure that revenues (inflows) are sufficient to cover expenses (outflows).

Budget controls are necessary to ensure that a government does not spend more than the amount legally appropriated by its governing body. By establishing clear spending boundaries, budget controls also promote accountability and bolster trust throughout the organization.

When is it issued?

The District's Policy 3.07 outlines when the Budget is issued.

3.07.100 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).

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Where can I find it?

The current budget will be found on the [District's website](#) under Financial Reports.

How do I read it?

The outline and content of the budget includes a cover page, table of contents and the following sections:

Executive Summary

The executive summary is written to the board of directors and provides detailed information about the District's revenue and expenditure forecast for the next fiscal year and addresses the main points and major decisions made in compiling the budget.

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

Understanding the Budget Document

This section provides an overview of the budget document itself that includes:

- An overview of the sections of the budget document; and

- Budgetary Control and Process

District Profile

This section provides the following information:

- District History and Service Description
- District Mission Statement
- District Officials
- Organizational Structure
- Service Area

Operating Budget

The Incremental Budgeting Method is used to prepare the Operating Budget. 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 expenditure, 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 expenditure directly relating to providing services related to water conservation including community outreach and rebate programs.
- **FIELD OPERATIONS** – A category of expenditure 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 – The prior fiscal year budget.

COLUMN 3 – 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.

Capital Budget

The Incremental Budgeting Method is used to prepare the Capital Budget. Capital Expenditures are funds expended for Capital Improvement Projects (CIP). These projects include the purchase, construction, addition, or replacement of District facilities, infrastructure, and equipment. They are capitalized upon completion and depreciated based on the type of asset and its useful life. Capital expenditures are typically funded on a pay-as-you-go basis, through rate revenue.

Best Practice on Budget Monitoring

The following information is a Government Finance Officers Association (GFOA) Best Practice on Budget Monitoring (GFOA, 2024)

GFOA recommends that all governments establish a formal set of processes for comparing budget to actual results to monitor financial performance. Budget monitoring should include analysis of a diverse set of indicators to best inform the analysis and facilitate evaluation of a government's overall performance. Establishing and conducting regular budget monitoring provides organizations the opportunity to promptly adjust for any significant variances to ensure continuity of program/service delivery. Governments should establish comprehensive budget monitoring that includes the following key items:

1. What elements should be reviewed:
 - a. *Revenues*. Governments need to carefully analyze sources of funds with particular attention to:
 - Seasonality, and whether comparable to prior observations
 - Any potential volatility and the resulting impacts
 - Trends and comparison to projections
 - One-time sources
 - Timing of receipts
 - Relationship to economic indicators and potential impacts
 - Changes in policy/practice of overarching governments involved in disbursement of revenues
 - Review of patterns at other similar/related governments
 - b. *Expenditures*. Governments need to carefully monitor all expenditures as well – including one-time uses and examining key aspects of the following:
 - Personnel. Examine additional detail beyond just regular payroll expenses, including analysis related to hiring and vacancy information and, depending on magnitude, analysis of part-time, overtime, leave pay out and special pay. In

addition, conduct analysis of re-class/promotions to see if on-track with expectations. And whether fringe benefit costs are within budgeted expectations as well.

- Non-personnel. Monitoring needs to include more than just current expenses. Governments need to analyze draw down of encumbrances, outstanding purchase orders, and its major contracts to develop a better picture of not only what was spent, but what remains to be spent.
- c. *Operations*. Are services being provided as anticipated? Are any services being provided that were unanticipated? What trends are being observed that may impact whether spending remains on track?
 - d. *Capital*. Governments need to monitor the budgets of capital projects as well – see GFOA's Best Practice on '[Capital Project Monitoring and Reporting](#).'
 - e. *Economic Trends*. How is the broader context of prices for labor, services, commodities and other items impacting expenses versus the budget?
 - f. *Performance Measures*. Governments should incorporate into their budget monitoring process an examination of performance measures and linkages to financial outcomes. The analysis should include any changes to goals/initiatives since budget adoption and are there any new initiatives not initially included in the budget.
2. How the elements should be analyzed
 - a. *Root cause*. Governments should move beyond just identifying deviations from budget versus actuals and work towards analyzing and articulating why deviations occurred to move towards resolution.
 - b. *Time frame*. Is it anticipated for any identified variance to continue or is there an underlying reason for the variance? How does the current spending pattern impact the subsequent year's budget?
 - c. *Requirements*. Structure budget monitoring to meet any interim reporting requirements that the government may have, if possible.
 - d. *Basis of comparison*. Governments should also ensure that reference points for comparison are logical and appropriate and account for any major organizational changes that would impact any comparisons. In addition to comparison of current results to budget, government should expand their basis of comparison for more robust analysis to include:
 - Previous year actuals
 - Averages of several prior year actuals
 - Projections and forecasts
 3. At what level of detail should the analysis be conducted. This will vary depending on revenue/expenditure type. Organizations should discuss benefits of more versus less detail and its impacts on the timeliness, usefulness, and degree of difficulty to compile, among other factors. Potential levels at which to monitor the budget should mirror an organization's chart of accounts, including the following:
 - a. *Fund*. Use for high level analysis and may be the only monitoring needed for minor revenue/expenditure areas
 - b. *Department*. Analysis at this level can be used to establish budget accountability for department heads
 - c. *Sub-department/division*. Appropriate to analyze if budget accountability resides at the sub-department head level.
 - d. *Function*. Use to track expenditures by major organizational responsibilities, i.e. public safety, public works, etc.

- e. *Object/account*. Utilize for examining key types of expenditures at an organization-wide basis, such as overtime.
 - f. *Project/program/grant/activity*. Use to track revenue/expenditures of specific activities associated with areas that need additional scrutiny or for reporting requirements
4. Who is responsible and outlining roles
 - a. *Production*. Who produces the analysis, reports, etc. related to budget monitoring should be clearly articulated and disseminated.
 - b. *Roles*. Collaboration and ownership within the organization should be promoted to help provide context related to any potential issues.
 - c. *Ownership*. Identify who is responsible for resolving variances related to both spend and service delivery as well as any other problems identified that need attention.
 5. Tools for conducting the analysis
 - a. *Electronic system*. An organization's enterprise resource planning (ERP) system should drive data gathering and analysis related to budget monitoring. Use of the ERP system allows for real time information to be readily accessible for encumbrances and other time sensitive information as opposed to reliance on static, stand-alone reports.
 - b. *Automation*. Budget monitoring data and reports should be integrated into and generated by an organization's ERP system to ensure efficient use of staff time and consistency of information.
 - c. *Overspend Protection*. Governments should also ensure that mechanisms are in place in their ERP system to automatically prevent overspending of budget and notify the organization's financial leadership.
 - d. *Consistency*. Off-system analysis should be consistently applied to all aspects of monitoring the budget and clearly articulated to both staff conducting the analysis and end users.
 6. Communications. This will vary on type of size of jurisdiction as well as the intended audience
 - a. *Frequency*. The frequency of how often budget monitoring reports and information is generated should be agreed upon at all levels of the organization but may vary for different program areas.
 - b. *Delivery*. The government should describe the point at which the monitoring process is achieved and how the information is communicated and to which stakeholders, both internally and externally, needs to be clearly structured.
 - c. *Format*. The format how information related to budget monitoring needs to be clearly established as well, including considerations for the audience and their level of expertise.
 - d. *Transparency*. How can the information be shared on a widespread basis to the community and include the proper context to best inform the public and minimize additional requests for more information.
 7. Action. A government's budget monitoring process does not end at the time of communication. Following the steps above, governments will conduct comprehensive monitoring and communication that will ensure timely corrective action and operational improvement.

Annual Comprehensive Financial Report (ACFR)

What is it?

An Annual Comprehensive Financial Report (ACFR) is a set of U.S. government financial statements comprising the financial report of a state, municipality, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board.

An ACFR provides financial, economic, and demographic information that can be used when analyzing financial statements of a local government. Government Code section 53891(a) requires local governments to use data from their audited financial statements, if available, to prepare the Financial Transactions Report (FTR) for submission to the State Controller. The audited financial statements should be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The ACFR includes the annual financial audit as required by GASB 34.

Why is it important?

Assessment of a government's economic condition involves considering factors that could have an impact on a government's net position in the future. The most useful source of information for this purpose is the statistical section of the ACFR.

When is it issued?

The District publishes the ACFR at the same time as the annual audit is completed for the prior fiscal year. Typically, this occurs in November of each year.

Where can I find it?

District website

How do I read it?

The ACFR presents a wide variety of important information. Depending on the reader's specific focus, various sections might be of interest. For example, in the Financial Section, a reader can find the "high points" by reading through the Management Discussion and Analysis (MD&A) in the financial section.

The outline and minimum content of the ACFR should include a cover page, table of contents and the following three basic sections:

Introductory Section

The Introductory Section orients and guides the reader through the report and includes the following:

Letter of Transmittal

The letter of transmittal is addressed to the District's ratepayers and governing board and is divided into four parts:

- Formal Transmittal;

- Profile of Governance;
- Information useful in assessing a government's economic conditions; and
- Awards and acknowledgments.

It should not reproduce information already provided in the MD&A, but provide an opportunity for management to offer "more subjective information than would be acceptable for MD&A. Both the letter of transmittal and MD&A should complement each other.

It is especially helpful to less experienced users of financial reports where the information is simple and straightforward.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program (COA) in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The goal of the program is not to assess the financial health of participating governments, but rather to ensure that users of their financial statements have the information they need to do so themselves.

The District has been proudly participating and receiving this award since the fiscal year 2016-2017.

List of District Officials

The list of District Officials include the board of directors and the employees.

Organization Chart

A graphic representation of the structure of the District showing the relationships of the positions.

Service Area

The District's service area boundary map.

Financial Section

The Financial Section presents the entity's basic financial statements and notes of the independent auditor's report. It includes the following elements:

Independent Auditor's Report

Management is responsible for the financial statements. The role of the financial statement auditor is to provide users of the report with independent assurance that they can reasonably rely upon those statements.

Management's Discussion and Analysis (MD&A)

The purpose of the MD&A is to furnish an objective and easily readable analysis of the District's financial activities. The MD&A is a required supplementary information (RSI). See below for a detailed definition.

The MD&A contains:

- A discussion of the basic financial statements;

- Condensed comparative data;
- Analysis of the District's overall financial position and results of operations;
- Analysis of the balances and transactions;
- Analysis of budgetary variations;
- A description of capital asset and long-term debt activity;
- A discussion of infrastructure; and
- A discussion of currently known facts, decisions, or conditions of future significance.

Basic Financial Statements

Basic financial statements (BFS) is the minimum information necessary for fair presentation in conformity with generally accepted accounting principles (GAAP). The BFS includes a two-year comparative balance sheet and a statement of revenues, expenditures, and changes in fund balances or Statement of Cashflows.

Minimum Required Components

While GAAP does not require all elements of the ACFR, it does require the following minimum components for proper financial reporting:

- Management's Discussion and Analysis (MD&A);
- Basic Financial Statements (government-wide and fund financial statements);
- Notes to the Financial Statements; and
- Required Supplementary Information (other than MD&A)

Required Supplementary Information (RSI)

Required supplementary information is supporting information that the Governmental Accounting Standards Board (GASB) has concluded is essential for placing basic financial statements and notes to basic financial statements in an appropriate operational, economic, or historical context.

Combining Financial Statements (non-major funds)

This section includes the District's pension trust funds for the last ten years including:

- Cost-Sharing Multiple-Employer Defined Pension Plan
- Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Statistical Section

Provides additional financial and statistical data, including financial trends that may better inform the reader about the government's activities over a 10-year period.

Financial Trends

Financial trend schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. This section includes the following trend schedules:

- Schedule of Net Position by Component
- Schedule of Change in Net Position

Revenue Capacity

Revenue capacity schedules contain information to help the reader assess the District's capacity to raise revenue and the sources of that revenue. This section includes the following revenue capacity schedules:

- Retail Water Rates
- Water Sales by Type of Customer
- Principal Rate Payers

Debt Capacity

Debt capacity schedules contain information to help the reader understand the District's outstanding debt, the capacity to repay the debt, and the ability to issue additional debt in the future. This section includes the following debt capacity schedules:

- Schedule of Debt Service
- Ratios of Outstanding Debt by Type and Number of Connections

Demographic and Economic Information

The demographic and economic schedules contain trend information to help the reader understand the environment in which the District's financial activities occur. This section includes the following demographic and economic schedules.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

The operating information schedules assist the reader in evaluating the size, efficiency, and effectiveness of the District. This section includes the following operating information schedules.

- Capital Assets
- Operating Data

Annual California State Controllers Reports

The District must file two annual reports to the California State Controller. The two reports are discussed in this section.

Financial Transactions Report

Pursuant to Government Code section 12463 et seq., the California State Controller's Office (SCO) has developed the Special District Financial Transactions Report. The purpose of the financial transactions report (FTR) is to provide financial data about California special districts on a uniform basis. Government Code section 53891(a) requires special districts to furnish the Controller with this financial transactions report.

The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year or within the time prescribed by the Controller, whichever is later, and shall be in the form and manner required by the Controller. The District must submit the Financial Transactions report by January 31st.

The financial transactions reports are then compiled and published in an "open data" platform by SCO at <https://bythenumbers.sco.ca.gov> for use by the State Legislature, districts, and the public. California Government Code section 53891(b) requires the Controller to prescribe uniform accounting procedures for special districts. This guidance can be found in SCO's Special District Uniform Accounting and Reporting Procedures (SPD) manual at SCO's website, https://www.sco.ca.gov/pubs_guides.html. The SPD manual conforms to Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

To find the District's financial transaction numbers go to <https://districts.bythenumbers.sco.ca.gov/#!/year/2023/operating/0/entityname/Rio+Linda-Elverta+Community+Water+District/0/districttype2?vis=barChart>

Government Compensation Report

Government Code (GC) 53891 requires special districts to submit an annual Government Compensation in California (GCC) report to the State Controller's Office (SCO). Pursuant to GC 53891, the GCC report for the previous calendar year is due no later than **April 30th**.

The compensation data is published to this website under the authority of GC 12463.

Glossary

ACCRUAL BASIS – Method of accounting that recognizes the financial effect of transactions and events when they occur, regardless of the timing of related cash flows.

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

BALANCE SHEET – A report that summarizes the financial position of the District where the value of the assets is always equal to the combined value of the liabilities and equity. The balance sheet shows the value of the District’s assets, liabilities, and equity as of a particular day

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 because of past transactions, events or circumstances. It is the District’s policy to capitalize all capital assets with an initial cost of more than \$5,000 and an estimated useful life of more than one year.

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

CASH BASIS – Method of accounting that recognizes revenues and expenses at the time cash is received or paid out.

COMPENSATED ABSENCES – The District has a policy whereby employees can accrue up to a maximum of 300 hours of vacation leave. All accrued vacation leave will be paid to the employee on termination of employment. Accumulated unpaid vacation leave is accrued when earned. Employees accrue sick leave, but any remaining balance at termination of employment is not paid out to the employee; thus, the District does not accrue a liability for sick leave.

CURRENT ASSETS – Designates cash and other assets or resources commonly identified as those that are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the District within a year or less.

ENTERPRISE FUND – Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity’s principal revenue sources. (a) The activity is financed with debt that is to be repaid solely with the net revenues and charges of the activity, or (b). Laws and regulations require that costs be recovered by revenues of the activity, or (c). The pricing policies of the activity are designed to fully recover all costs.

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 RLECWD 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.

FUND CLASSIFICATIONS – One of three categories (governmental, proprietary, and fiduciary) used to categorize fund types.

GOVERNMENTAL FUNDS – There are five different types of governmental funds: general fund, special revenue funds, debt service funds, capital projects fund, and permanent funds. Fiscal

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.

LIABILITIES – Financial obligations that are owed to another party, such as money, goods, or services. Liabilities are classified as Current (expected to liquidate within a year or normal operating cycle) and Noncurrent (expected to require the transfer of resources or liquidate after a year or normal cycle).

MANAGEMENT DISCUSSION AND ANALYSIS – Required supplementary information that introduces the basis financial statements and provides an analytical overview of the District's financial activities. The MD&A should provide an overview of the previous year of operations, results of the operations, the current financial position of the company and changes in its financial condition. The MD&A should complement the financial statements and provide information relevant to understanding and interpreting the results.

NET INVESTMENT IN CAPITAL ASSETS – One of the three components of net position and consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowing attributable to the acquisition, construction, or improvement of those assets.

NET POSITION - The statement of net position displays the resources of a government entity at a given point in time (usually the last day of the fiscal year). It provides an overview of the assets and liabilities netted against one another. The three components are: • Net Investment In Capital Assets; • Restricted (distinguishing between major categories of restrictions); and • Unrestricted.

NONCURRENT ASSETS – Assets that are expected to be converted to cash or consumed after a year or normal operating cycle whichever is longer.

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.

OTHER ASSETS – Assets that are not included elsewhere.

OTHER POST EMPLOYMENT BENEFITS (OPEB) – Postemployment benefits other than pension benefits. OPEB include postemployment healthcare benefits, regardless of the type of plan that provides them,

and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

RESTRICTED ASSETS – Assets whose use is subject to constraints that are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION – One of the three components of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

REVENUE – Income received from the District’s day to day

UNRESTRICTED NET POSITION – One of the three components of net position and is the difference between the total net position and its two other components (net investment in capital assets and restricted net position).

WATER ENTERPRISE FUND – The purpose of the Water Enterprise Fund form is to collect uniform financial information related to water activities, including wastewater activities related to water operations, reported as an enterprise fund. If this activity has more than one operation, report information for all operations of this type, not for the individual operation level.



**Items for Discussion and Action
Agenda Item: 4.5**

Date: February 24, 2025

Subject: Board Member Late Compensation Request

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A This item was not discussed at Executive Committee.

Current Background and Justification:

The current version of policy 2.20.140 stipulates that Board Members are required to submit their compensation request within 60 days from the date of the meeting for which they are requesting compensation.

The typical late submittal has been due to medical conditions of the requestor or technical challenges (e.g. cell phone functionality) experienced by the requestor. However, in this case, the requestor had been precluded from receiving compensation as a consequence to overdue mandatory training.

The Board Member has now resolved the overdue training status, a condition not contemplated in District policy 2.20.140. Therefore, out of an abundance of caution, Board approval for late compensation is being requested.

Conclusion:

Sample Motion: Move to late compensation for Anthony Cline pursuant to District policy 2.20.140.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



**Items for Discussion and Action
Agenda Item: 4.6**

Date: February 24, 2025

Subject: Authorize Legal Counsel Review of Request from Diamond Communications

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A This item was not discussed at the 2-12-2025 Executive Committee.

Current Background and Justification:

In 2014, in response to a multi-year fiscal crisis, the Board authorized the selling the rights to collect rent from cell phone companies to a third party in exchange for a one-time, lump sum payment to the District.

The current successor third-party, Diamond Communication recently requested additional land for which they would collect additional rent. Diamond Communications has offered another lump sum payment in consideration of their expanded use of District facilities.

This issue has been discussed at several prior Executive Committee meetings, where staff was directed to explore the feasibility of revising the existing agreement instead of the one-time, lump-sum payment proposed by Diamond Communications. Diamond Communications has rejected such counter proposals from the District.

More recently, Diamond Communications has become more assertive and combative in their correspondence on this subject. As such, it now becomes necessary to consider authorizing a response by Legal Counsel.

Unfortunately, there is no budgeted funding for such an expense. This request is uncommon over the past 11-years. Therefore, authorizing legal charges is effectively authorizing a minor budget revision depending on the sum of charges the District may incur from Legal Counsel.

Conclusion:

Sample Motion: Move to authorize Legal Counsel review of the correspondence from Diamond Communications and further direct staff to prepare a minor budget revision to fund the review.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Tim Shaw

38

Subject: FW: CAB92 Rio Linda W0571W Carrier Expansion Request
Attachments: COM-1732 Rio Linda - Review Set 240320.pdf

From: Kay Hennessy <khennessy@diamondcomm.com>
Sent: Tuesday, February 4, 2025 12:56 PM
To: Tim Shaw <GM@rlcwd.com>
Subject: RE: CAB92 Rio Linda W0571W Carrier Expansion Request

Hi Tim:

While working with our legal team to finalize our documents for this expansion with Comcast, we were reminded about language in the PSA that only requires consent and no increase in rent.

According to Section 1. b. it states:

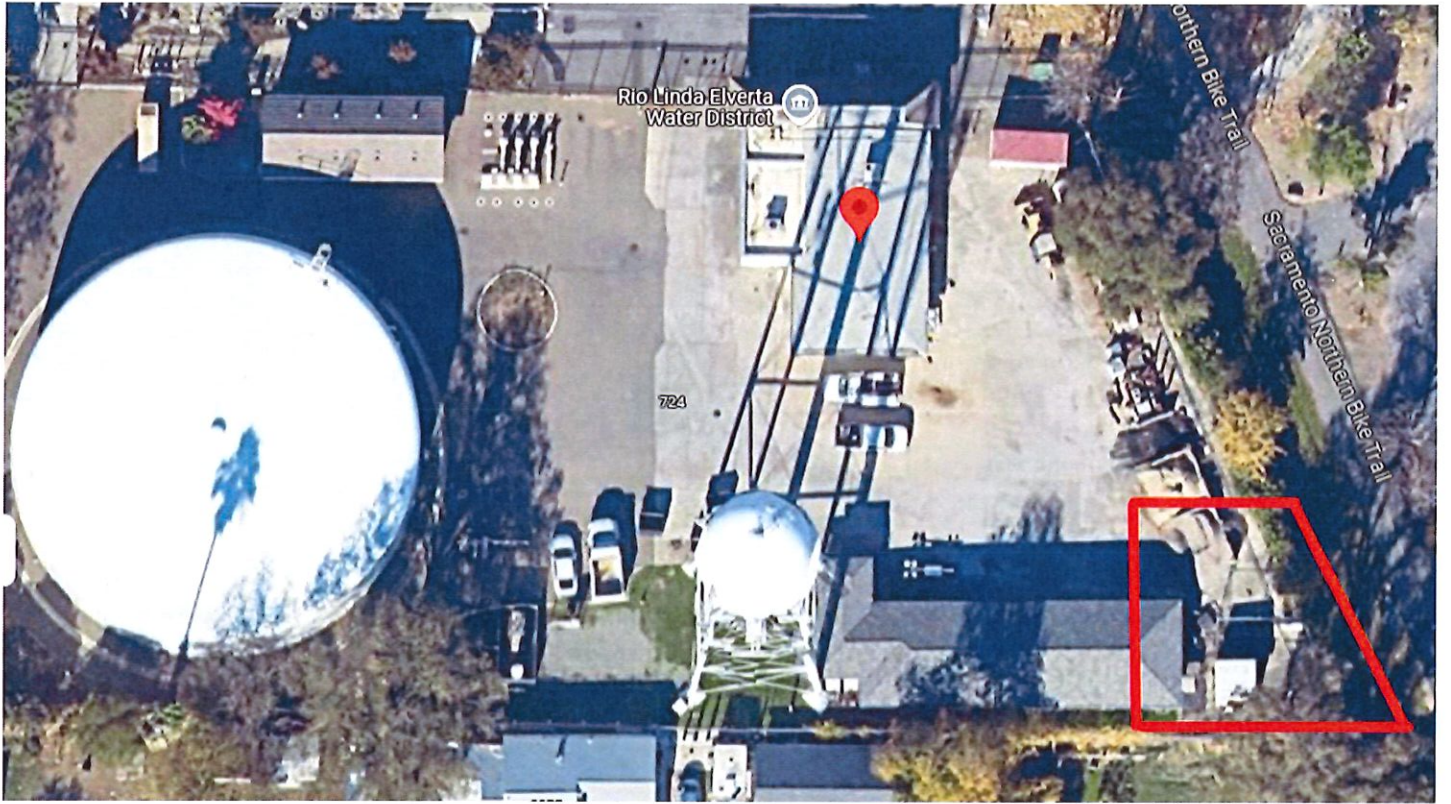
PSA
1(b)

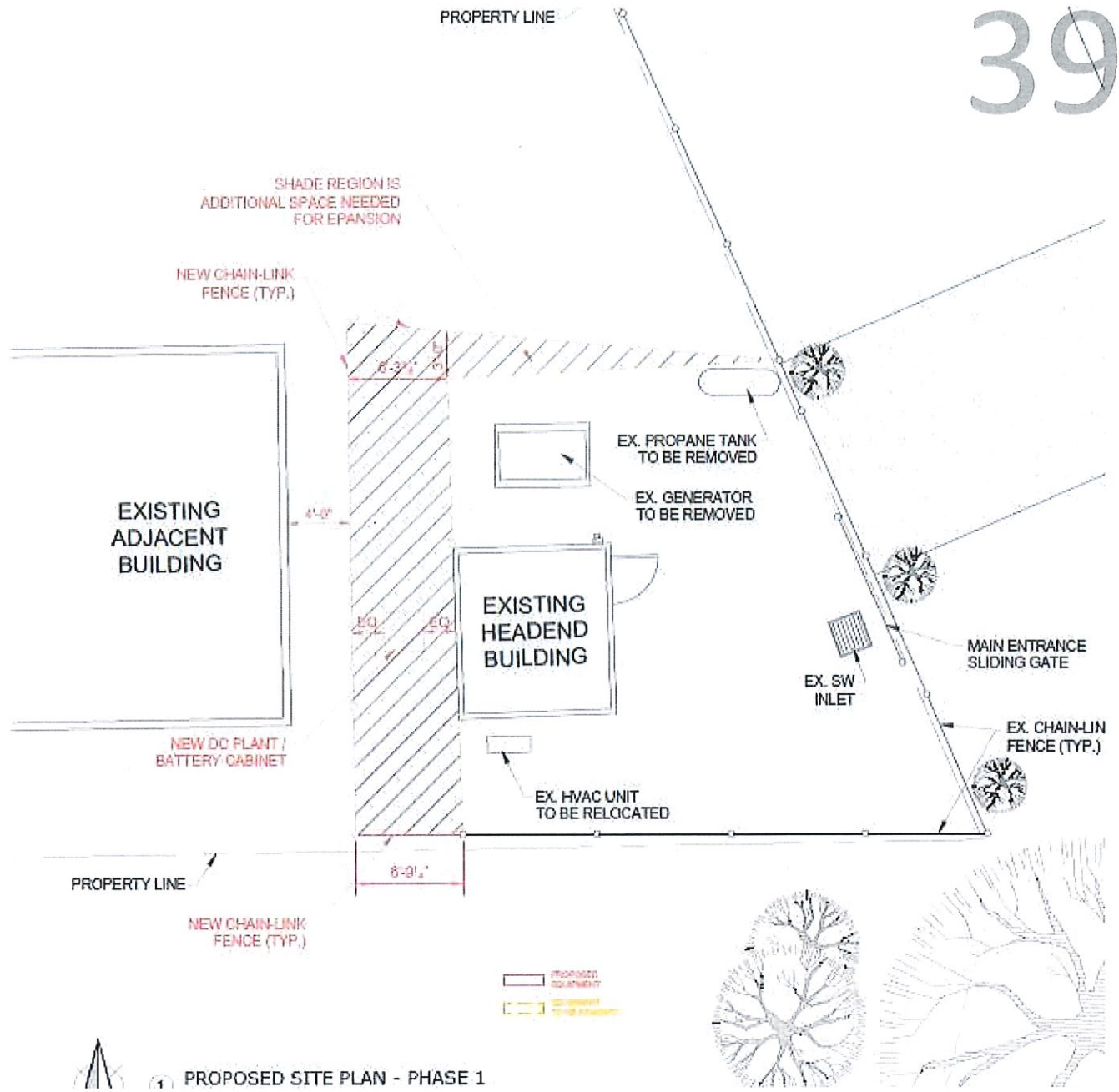
(b) Effective upon the Effective Date, Landlord hereby sells, assigns, set transfers to Buyer all of Landlord's right, title and interest in and to the Lease for the Agreement with the foregoing, Landlord agrees that prior to the Planned Reversion Date, Buyer shall have t exercise and enjoy all of the rights and benefits of Landlord under the Lease (including, without right to (A) receive and collect all Rent; (B) enter into amendments of the Lease (subject to the of Agreement); (C) enforce all of the lessor's rights and remedies under the Lease and applicable such manner, and in such order or combination as Buyer deems appropriate in Buyer's sole and and (D) pursue, commence, defend and compromise any action or adversary proceeding 1 obligations under the Lease). **In the event that Buyer proposes to enter into any amendmer materially alters or expands the obligations or liabilities of Landlord under the Lease as of the prior to the execution of any such amendment, Buyer shall obtain the consent of Landlord, which unreasonably withheld, conditioned or delayed, and Landlord shall not be entitled to rec consideration in exchange for such consent, unless mutually agreed to by the parties. Landl cooperate in connection with any such amendment executed by Buyer (and approved by Lan required hereunder), including, without limitation, applying for and obtaining permits therefor. Th assignment is an absolute, unconditional and irrevocable sale and assignment.**

We would like to extend the PSA and offer additional compensation/consideration for the extension. Legal has also stated that Diamond or Comcast cannot be responsible for maintenance of the tower because we do not have rights under our Purchase and Sale Agreement.

Please let me know if the District would like to extend the PSA. If not, we will move forward with the Comcast expansion as it stands. Thank you.

Expansion area in RED.6





1 PROPOSED SITE PLAN - PHASE 1

Thank you,



Kay Hennessy, Asset Manager – West Area, HI and AK
Mobile: 480-204-8390 | khennedy@diamondcomm.com
Mail and Overnight Packages: 120 Mountain Avenue, Springfield, NJ 07081



**Items for Discussion and Action
Agenda Item: 4.7**

Date: February 24, 2025

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, this is a standing item on all regular meeting agendas.

Current Background and Justification:

District policy and various statutes stipulate Board approval of any Board Member assignments. Generally , this is a standing item, which occurs on every regular meeting agenda.

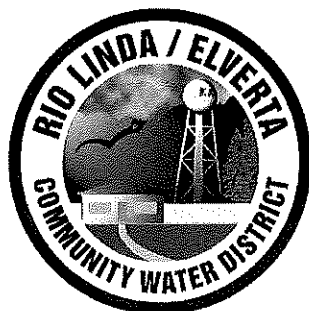
Conclusion:

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 _____

Cline _____ Gifford _____ Green _____ Liverett _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Information Items Agenda Item: 5.1

Date: February 24, 2025

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

DISTRICT ACTIVITY REPORTS

1. Operations Report
2. Completed and Pending Items Report
3. Conservation Summary
4. Leak Repairss
5. Legal Guide on Complying with AB 992
6. California Government Code 54952.2 (AB 992)

RIO LINDA/ELVERTA C.W.D. 2025

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
38.6						
38,589,096						
July	August	Sept.	Oct.	Nov.	Dec.	38.6

Gallons = Multiply M.G. by:	1,000,000	Monthly Total	38,589,096	Gallons	38,589,096
Cubic Feet = Divide gallons by:	7.48		5,158,970	Cubic Feet	5,158,970
Hundred Cu Ft. = Divide cu. ft. by:	100		51,590	Hundred Cubic Feet	51,590
Acre Ft. = Divide gallons by:	325,829		118.43	Acre Ft.	118

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total - (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
0						
July	August	Sept.	Oct.	Nov.	Dec.	0

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 ----->		4685

Distribution System Failures/Repairs

Deterioration January 1 thru 31	2	2
Damaged January 1 thru 31	0	0
Routine Bacteriological Samples (Distribution System)	16	16
Raw Water Bacteriological Samples (at Wells)	0	0

January 1, 2025 - January 31, 2025

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

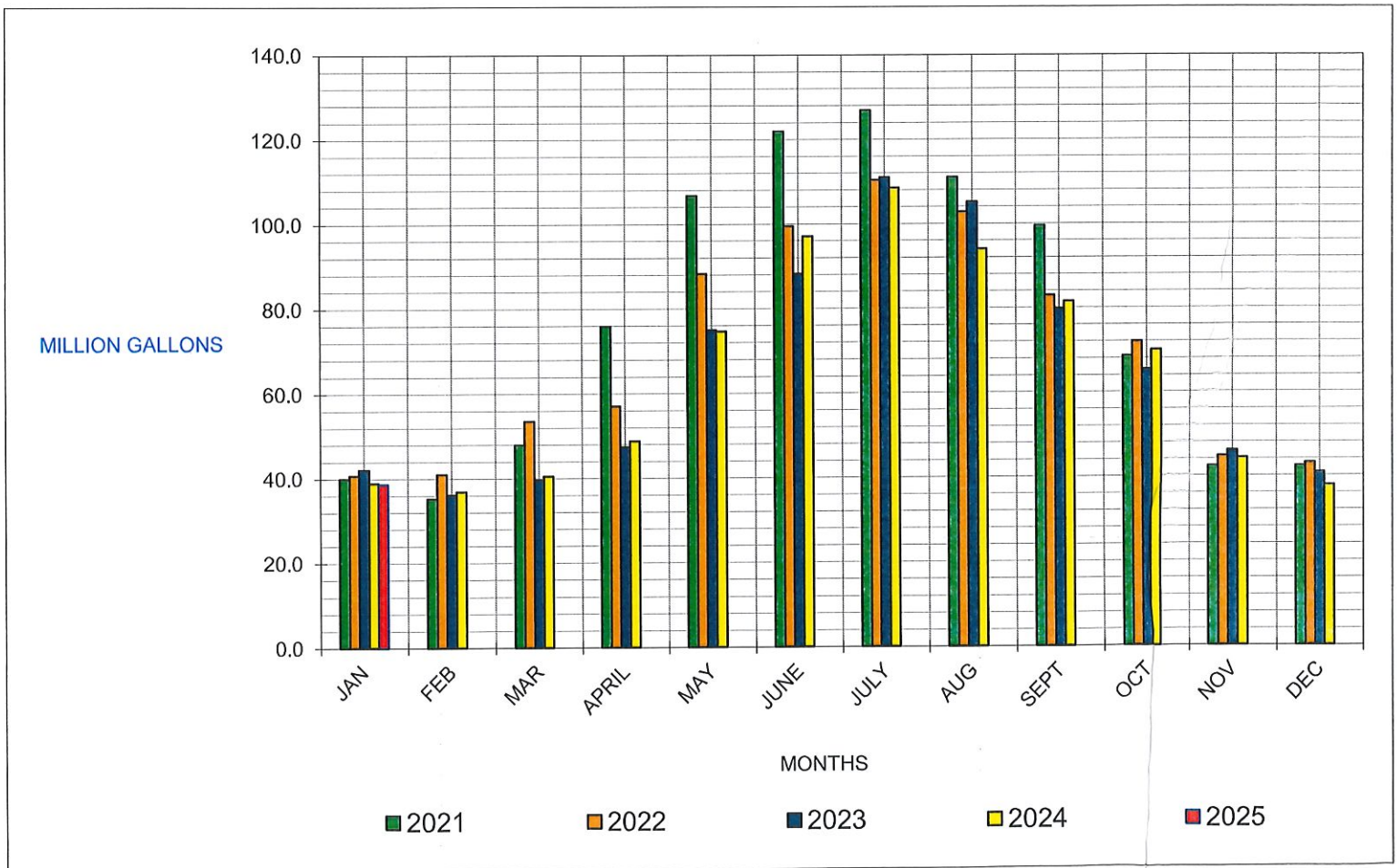
Work Orders Issued - 58	Work Orders Completed - 35	USA's Issued - 100
Backflow Test - 1	Backflow Test - 1	WORK ORDERS ISSUED: All work orders issued during the current 1 month reporting period. (January 2025) WORK ORDERS COMPLETED: All work orders completed during the 1 month reporting period. (January 2025) Includes any work orders issued in prior reporting periods that were completed in the current reporting period.
Repair or Replace Box - 1	Repair or Replace Box - 1	
Change out Meter - 25	Change Out Meter - 10	
Disconnect Service - 7	Disconnect Service - 7	
Flow Test - 2	Flow Test - 2	
Get Current Read - 1	Get Current Read - 1	
Hydrant Repair - 2	Hydrant Repair - 1	
Install Innov8 Device -	Install Innov8 Device - 1	
Line Leak - 1	Line Leak - 2	
Other Work - 3	Other Work - 3	
Possible Leak - 4	Possible Leak - 1	
Re-Locate Meter Box - 1	Tag Property - 4	
Repair - 2	Turn Off Service - 1	
Tag Property - 5		
Turn Off Service - 1		
Turn On Service - 1		

RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

2020 \ 2024

Month	Water Production in Million Gallons						SSWD Water Purchases				
	2021	2022	2023	2024	2025	Avg.	2020	2021	2022	2023	2024
JAN	39.9	40.7	42.0	38.9	38.6	40.0	0.0	0.0	0.0	0.0	0.0
FEB	35.2	40.9	36.1	36.8		37.3	0.0	0.0	0.0	0.0	0.0
MAR	47.9	53.5	39.6	40.5		45.4	0.0	0.0	0.0	0.0	0.0
APRIL	75.8	57.0	47.3	48.7		57.2	0.0	0.0	0.0	0.0	0.0
MAY	106.6	88.2	74.9	74.6		86.1	0.0	0.0	0.0	0.0	0.0
JUNE	121.9	99.4	88.1	97.0		101.6	0.0	0.0	0.0	0.0	0.0
JULY	126.8	110.3	110.9	108.4		114.1	0.0	0.0	0.0	0.0	0.0
AUG	110.9	102.7	105.1	93.9		103.2	0.0	0.0	0.0	0.0	0.0
SEPT	99.4	82.9	79.6	81.4		85.8	0.0	0.0	0.0	0.0	0.0
OCT	68.5	71.9	65.3	69.9		68.9	0.0	0.0	0.0	0.0	0.0
NOV	42.2	44.6	45.9	44.2		44.2	0.0	0.0	0.0	0.0	0.0
DEC	42.2	42.9	40.7	37.6		40.9	0.0	0.0	0.0	0.0	0.0
TOTAL	917.3	835.0	775.5	771.9	38.6	824.9	0.0	0.0	0.0	0.0	0.0

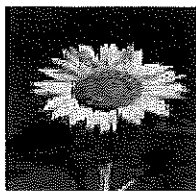




**PENDING AND COMPLETED ITEMS
2-24-2025 BOARD OF DIRECTORS MEETING**

Under Construction

This staff report format is being revised in response to recent uses of the monthly report, which were not previously contemplated.



Conservation Report January 2025



Supplies (kits):	Shower heads(0) Kitchen Aerators(1) Bathroom Aerators(0) Shower Timer(0) Nozzle(0) Toilet Tabs(9) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)
Water Waste (calls, emails, letter, leaks detected, and fixed):	1 Water Waste Letter(s) 345 contacts about possible leaks using the AMI system - 2 were called, 0 was mailed, 342 was emailed, 1 tag was hung
Water Schedule:	given to customers with all violation letters and new applications
Surveys	0
Workshops, Webinar, Meetings:	None
Fines:	None
Other Tasks:	<ul style="list-style-type: none"> ● Assisted with new customers ● Created/completed work orders ● Disconnect properties with no service application ● Notified and offered customers the ACH payment method ● Closed accounts and final billed customers ● Mailed out application requests to new owners ● Scanned and uploaded documents into UMS ● Verbal Demands ● Process Bills for 1/20/25 Billing Cycle ● Created Newsletter for January bill
Grant Updates:	None

2025 Leak - Repair Tracking

46

	Work Order #	Leak Type	Street	Date Reported	Date Repaired	Days
1	24842	Service	Elverta Rd	11/19/2025	1/8/2025	50
2	24872	Service	24th Street	1/8/2025	1/8/2025	1
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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30						

AB 992: Open Meeting Laws and Social Media

47

Best Best & Krieger LLP

California public officials could run afoul of the Brown Act if they communicate with legislative members of the same body on social media under the recently enacted [Assembly Bill 992](#). Now, even giving a “thumbs up” to another official’s social media post on a topic within the legislative body’s subject matter jurisdiction could violate the law. AB 992, signed by Gov. Gavin Newsom late Friday, is the first amendment to the Brown Act to address public officials’ use of social media.

The Brown Act generally requires that a legislative body’s meetings be open and public, including advance notice, posting of the agenda and accessibility by the public. The Act prohibits a majority of members of a legislative body from engaging in a “series of communications,” directly or through intermediaries, to “discuss, deliberate, or take action on an item” that is within the legislative body’s subject matter jurisdiction.

AB 992, which amends Government Code section 54952.2, clarifies what kind of communications a public official may have via social media and what kind of communications are prohibited.

First, AB 992 clarifies that a public official may communicate on social media platforms to answer questions, provide information to the public or to solicit information from the public regarding a matter within the legislative body’s subject matter jurisdiction. However, the latter types of communications are only allowed as long as a majority of the members of the legislative body do not use any social media platform to “discuss among themselves” official business. According to AB 992, “discuss among themselves” includes making posts, commenting and even using digital icons that express reactions to communications (i.e., emojis) made by other members of the legislative body.

Second, a single contact between one public official and another normally would not constitute a prohibited serial meeting. However, AB 992’s social media prohibitions go further. It prohibits a member of a legislative body from responding “directly to any communication on an Internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.” Now, if one public official posted a comment in response to another public official’s social media post about an agency issue, that could be a Brown Act violation, assuming the two serve on the same legislative body.

The bill applies to Internet-based social media platforms that are open and accessible to the public. According to the bill, “open and accessible to the public” means “that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the Internet-based social media platform determines that an individual violated its protocols or rules.”

AB 992 encompasses activity on many types of social media platforms, including, but not limited to, Snapchat, Instagram, Facebook, Twitter, blogs, TikTok and Reddit. That means it could affect social media commenting, retweeting, liking, disliking, responding with positive or negative emojis and/or screenshotting (photographing) and reposting.

Unanswered Questions and Practical Considerations

Though AB 992 relates directly to the Brown Act, it indirectly touches on other transparency laws. For example, if a public official's social media comments could lead to Brown Act violations, does that mean that the officials' posts and comments are now subject to the California Public Records Act and potential disclosure? Do agencies need to retain public officials' social media posts, particularly to demonstrate whether a Brown Act violation occurred?

The bill may also indirectly affect due process concerns. AB 992 allows public officials to provide information to the public on social media. If the information that's posted is how a public official intends to vote on a development project, for example, could an applicant raise a claim that the applicant was denied a fair hearing?

Finally, as more public officials use social media to communicate with constituents and the general public, questions have arisen whether these places have become "public forums." AB 992, which sanctions certain uses of social media, could amplify this issue.

Disclaimer: BB&K Legal Alerts are not intended as legal advice. Additional facts, facts specific to your situation or future developments may affect subjects contained herein. Seek the advice of an attorney before acting or relying upon any information herein.

GOVERNMENT CODE - GOV**TITLE 5. LOCAL AGENCIES [50001 - 57607]**

(Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

(Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]

(Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 9. Meetings [54950 - 54963]

(Chapter 9 added by Stats. 1953, Ch. 1588.)

54950.

In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

(Added by Stats. 1953, Ch. 1588.)

54950.5.

This chapter shall be known as the Ralph M. Brown Act.

(Added by Stats. 1961, Ch. 115.)

54952.2.

(a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative

body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(3) (A) Paragraph (1) shall not be construed as preventing a member of the legislative body from engaging in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. A member of the legislative body shall not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.

(B) For purposes of this paragraph, all of the following definitions shall apply:

(i) "Discuss among themselves" means communications made, posted, or shared on an internet-based social media platform between members of a legislative body, including comments or use of digital icons that express reactions to communications made by other members of the legislative body.

(ii) "Internet-based social media platform" means an online service that is open and accessible to the public.

(iii) "Open and accessible to the public" means that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the

public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

(d) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended by Stats. 2020, Ch. 89, Sec. 1. (AB 992) Effective January 1, 2021. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 2 of Stats. 2020, Ch. 89.)



Information Items Agenda Item: 5.2

Date: Februray 24, 2025

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

BOARD REPORTS

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Garrison (primary)
- 5.2.3. Executive Committee – Gifford, Cline
- 5.2.4. ACWA/JPIA – Cline
- 5.2.6 MOU Renewal Negotiations Ad Hoc (Young/Cline)

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

February 12, 2025 @ 6:00 P.M.

51

Visitors / Depot Center
6730 Front St.
Rio Linda, CA 95673

Call to Order: 6:00 P.M.

This meeting was attended by Director Young, Director Liverett, General Manager Tim Shaw, Contract District Engineer Mike Vasquez, and Accounting Specialist Deborah Denning.

Public Comment: There was one public member in attendance, but the public member had no general comments.

Items for Discussion:

1.	Contract District Engineer's Update.
<i>The Contract District Engineer presented his written report and expounded on the topics bulleted in his report. The Executive Committee engaged in robust discussion on the status of designing the Hexavalent Chromium treatment facilities at Well #15. The Contract District Engineer summarized the timing of sampling for Hexavalent Chromium and the reports required to be conveyed to the State within 90-days of sampling results once the Maximum Contaminant Level (MCL) is exceeded. The Committee further discussed the operational challenges the District may endure in the future if/when Well 15 or Well 16 are temporarily inoperable. The Contract District Engineer further reported on the current feasibility and general process for receiving and administering grants (as requested by Director Liverett) Director Liverett requested details on the number of wells expected to exceed the Hexavalent Chromium MCL and the operational approach for new wells vs well-head treatment. The public member brought up Well #14 and the price the District paid for Well #14. Staff explained the process the District undertook in response to the state's compliance order (and related enforcement mandates), lessons learned, and alternatives implanted in subsequent projects in response to the state's compliance order. The General Manager and Contract District Engineer briefly distinguished between Arsenic treatment and Hexavalent Chromium treatment.</i>	
2.	Continue Discussion on Executive Committee Standard Operating Procedure (scope and purpose).
<i>The General Manager presented his written report and a summary of revisions to the document to date. The Executive Committee members lamented insufficient time to review the proposed changes to the document. The Executive Committee members will advise staff when they are ready to resume discussions on the draft Standard Operating Procedure.</i>	
3.	Discuss the Draft Guide on Reviewing Financial Reports.
<i>The General Manager presented his written report and turned over the presentation to the Accounting Specialist, who has authored the Guide on Reviewing Financial Reports. The Accounting Specialist explained her objectives in drafting the Guide. The Accounting Specialist emphasized the objectives of improving transparency and the District's public image. Staff further explained the intended use of the Guide and the invitation for feedback from all Board Members and the public. The public member requested some clarifications on the essence of the guide. Director Young suggested Board Member training on the Guide. There was general consensus that all Board Members need, 1) time to review the guide, and 2) a opportunity to provide feedback on the method of training (if any) they might prefer. Director Liverett expressed her preferences and relative familiarity with cash based and fund balance accounting.</i> <i>Staff will provide feedback as appropriate.</i>	

4.	Continue Discussion on the “38000 – Unrestricted” line item in the Financial Reports.
	<i>The General Manager provided his written report. The Accounting Specialist correlated her explanation of “38000 – Unrestricted” account depicted in all the monthly financial reports to the Guide on Reviewing Financial Reports. The Accounting Specialist further explained the obligation to align with and maintain consistency with government accounting standards, as well as continuity in reports audited annually by the independent auditors.</i>
5.	Review and Discuss Existing District Loans to Explore Opportunities to Save on Interest Payments.
	<i>The General Manager presented his written report and the group was encouraged to refer to the table provided by the Accounting Specialist, which summarizes the current district loans and provides relevant details regarding the relative merits for early pay off, e.g. savings from avoided interest payments. Director Liverett commented on the favorably low interest rates for all of the existing loans. The discussion included future operational needs (anticipated and unanticipated) which might require new loans and the interrelationships of future capital and operations cost funding via loans with current market interest rates. Director Liverett apologized for dominating the agenda and discussion points. The General Manager noted that past onboarding Directors seemed to find tours of District facilities and one-on-one discussions with staff to be helpful.</i>
6.	Update on the Engagement of Best, Best and Krieger (BBK) for Provision of Legal Services.
	<i>The General Manager presented his written report and explained that the Legal Services Agreement will be considered by the Board at the special meeting on 2-13-2025. The public member commented of the relative prices for legal services from Best, Best and Krieger. The General Manager responded to encourage consideration of other factors besides the hourly rates which also factor into the invoice amounts, e.g. consultations within the service provider’s firm . Director Liverett shared that she has spent a considerable amount of time reviewing the proposed agreement and would share her concerns with the Board at the special meeting.</i>
7.	Discuss Mitigations for Anticipated Absence of General Manager (health related).
	<i>The General Manager presented his written report. The Committee discussed the timing and expected duration of the anticipated absence. Staff discussed logistics of setting up for public meetings if/when the General Manager is unable to attend in person.</i>
8.	Discuss Expenditures for December 2024.
	<i>The Executive Committee forwarded the December Expenditures report onto the February 24th Board agenda with the Committee’s recommendation for Board approval</i>
9.	Discuss Financial Reports for December 2024.
	<i>The Executive Committee forwarded the December Financial report onto the February 24th Board agenda with the Committee’s recommendation for Board approval.</i>

Directors’ and General Manager Comments:

X – Review of past analysis results for Hexavalent Chromium and Preliminary Results of PFOAs

The General Manager directed the focus to the summaries of Hexavalent Chromium and PFAS / PFOA analyses. The General Manager further explained that the past Hexavalent Chromium results were prior to the state re-adoption of the Hexavalent Chromium MCL. New sampling will trigger a compliance reporting clock. Director Liverett commented on the good staff report for the PFAS/PFOA preliminary results. The General Manager pointed out that the report was from the October 2024 Executive Committee.

Items Requested for Next Month’s Committee Agenda: None

Adjournment 7:44 P.M.