

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

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

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July 6, 2020
6:00 p.m.

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office at the address listed above.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should address the Executive Committee Chair. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then please contact the District office at (916) 991-1000. Requests must be made as early as possible and at least one full business day before the start of the meeting.

Call to Order

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion:

1. Review and discuss the expenditures of the District for the month of May 2020.
2. Review and discuss the financial reports for the month of May 2020.
3. Review RWA Executive Committee Minutes from 5-27-2020.
4. Discuss the Minor Edit to Cost of Living Adjustment Implementation Date.
5. Review the Rate Study Status Report.
6. Discuss the need and methods for defining the authority of specialty legal counsel and/or General Manager relative to existing litigation.
7. Update from the Contract District Engineer.

Directors' and General Manager Comments

Items Requested for Next Month's Committee Agenda

Adjournment

Next Executive Committee meeting: Monday, August 3, 2020 at 6:00 p.m. Visitor's/Depot Center, 6730 Front Street, Rio Linda, CA 95673

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at 916-991-1000. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.



Executive Committee Agenda Item: 1

Date: July 6, 2020

Subject: Expenditure Summary

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

It is recommended that the Executive Committee review the expenditures for May 2020, then forward the item to the June 15th Board agenda, consent section, with a recommendation for approval.

Current Background and Justification:

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

Conclusion:

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

**Rio Linda Elverta Community Water District
Expenditure Report
May 2020**

Type	Date	Num	Name	Memo	Amount
Liability Check	05/06/2020	EFT	QuickBooks Payroll Service	For PP Ending 05/02/20 Paydate 05/07/2020	19,730.83
Liability Check	05/07/2020	EFT	CalPERS	For PP Ending 05/02/20 Paydate 05/07/2020	2,682.67
Liability Check	05/07/2020	EFT	CalPERS	For PP Ending 05/02/20 Paydate 05/07/2020	1,055.60
Liability Check	05/07/2020	EFT	Nationwide	Deferred Compensation Plan: Employer & Employee Share	1,209.09
Bill Pmt -Check	05/07/2020	EFT	Adept Solutions	Computer Maintenance	1,333.00
Bill Pmt -Check	05/07/2020	EFT	Comcast	Phone/Internet	234.74
Bill Pmt -Check	05/07/2020	EFT	Republic Services	Utilities	85.72
Liability Check	05/07/2020	EFT	Internal Revenue Service	Employment Taxes	7,193.72
Liability Check	05/07/2020	EFT	Employment Development	Employment Taxes	1,326.20
Bill Pmt -Check	05/07/2020	EFT	Voyager Fleet Commander	Transportation Fuel	169.27
Transfer	05/07/2020	EFT	RLECDWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Bill Pmt -Check	05/07/2020	1228	ABS Direct, Inc.	Postage, Printing	172.36
Bill Pmt -Check	05/07/2020	1229	ACWA/JPIA	EAP-January 2020	25.70
Bill Pmt -Check	05/07/2020	1230	Buckmaster Office Solutions	Office Equipment Expense	60.33
Bill Pmt -Check	05/07/2020	1231	Cintas Corporation	Safety	28.55
Bill Pmt -Check	05/07/2020	1232	DirectHit Pest Control	Building Maintenance	75.00
Bill Pmt -Check	05/07/2020	1233	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	05/07/2020	1234	GW Demolition, Inc.	Pumping Maintenance	3,000.00
Bill Pmt -Check	05/07/2020	1235	Johnson Controls Fire Protection	Safety	218.82
Bill Pmt -Check	05/07/2020	1236	Oreilly Automotive	Transportation Maintenance	49.98
Bill Pmt -Check	05/07/2020	1237	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	50.00
Bill Pmt -Check	05/07/2020	1238	Rio Linda Hardware & Building Supply	Shop Supplies	510.74
Bill Pmt -Check	05/07/2020	1239	RW Trucking	Distribution Supplies	654.91
Bill Pmt -Check	05/07/2020	1240	SMUD	Utilities	12,313.34
Bill Pmt -Check	05/07/2020	1241	Spok, Inc.	Field Communication	15.19
Bill Pmt -Check	05/07/2020	1242	Staples	Office Expense	136.00
Bill Pmt -Check	05/07/2020	1243	SYAR Industries	Paving Expense	2,408.93
Bill Pmt -Check	05/07/2020	1244	Vanguard Cleaning	Janitorial	195.00
Bill Pmt -Check	05/07/2020	1245	SMUD	Capital Improvement: Well 16	35,268.00
Check	05/15/2020	EFT	WageWorks	FSA Administration Fee	76.25
Check	05/17/2020	EFT	ARCO	Transportation: Fuel	434.78
Liability Check	05/20/2020	EFT	QuickBooks Payroll Service	For PP Ending 05/16/2020 Paydate 05/21/2020	18,625.47
Liability Check	05/21/2020	EFT	CalPERS	For PP Ending 05/16/2020 Paydate 05/21/2020	2,682.67
Liability Check	05/21/2020	EFT	CalPERS	For PP Ending 05/16/2020 Paydate 05/21/2020	1,055.60
Liability Check	05/21/2020	EFT	Nationwide	Deferred Compensation Plan: Employer & Employee Share	1,195.32
Liability Check	05/21/2020	EFT	Internal Revenue Service	Employment Taxes	7,107.90
Liability Check	05/21/2020	EFT	Employment Development	Employment Taxes	1,355.09
Liability Check	05/21/2020	EFT	Kaiser Permanente	Health Insurance	3,495.17
Liability Check	05/21/2020	EFT	Principal	Dental & Vision Insurance	1,363.75
Liability Check	05/21/2020	EFT	Western Health Advantage	Health Insurance	9,358.06
Bill Pmt -Check	05/21/2020	EFT	Verizon	Field Communication, Field IT	475.52
Bill Pmt -Check	05/21/2020	EFT	Umpqua Bank Credit Card	Backflow, Computer, Office, Postage, Shop, Licensing & Uniforms	1,135.43

**Rio Linda Elverta Community Water District
Expenditure Report
May 2020**

Type	Date	Num	Name	Memo	Amount
Check	05/21/2020	EFT	RLECWWD - Capital Improvement	Current Monthly Transfer	34,000.00
Liability Check	05/21/2020	1247	Customer	Final Bill Refund	23.93
Bill Pmt -Check	05/21/2020	1248	ACWA/JPIA	EAP-May 2020	25.70
Bill Pmt -Check	05/21/2020	1249	Churchwell White	Legal	1,148.40
Bill Pmt -Check	05/21/2020	1250	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	05/21/2020	1252	County of Sacramento	Permits	104.50
Bill Pmt -Check	05/21/2020	1253	Energy Systems	Pump Maintenance	1,531.29
Bill Pmt -Check	05/21/2020	1254	Ferguson Enterprises	Distribution Supplies	79.91
Bill Pmt -Check	05/21/2020	1255	ICONIX Waterworks	Distribution Supplies	2,780.52
Bill Pmt -Check	05/21/2020	1256	Intermedia.net	Telephone	86.67
Bill Pmt -Check	05/21/2020	1257	Oreilly Automotive	Transportation: Maintenance	36.62
Bill Pmt -Check	05/21/2020	1258	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	05/21/2020	1259	Sierra Chemical Company	Treatment	2,184.62
Bill Pmt -Check	05/21/2020	1260	Thrasher Bros Automotive	Transportation Maintenance	2,831.50
Bill Pmt -Check	05/21/2020	1261	Unifirst Corporation	Uniforms	239.94
Bill Pmt -Check	05/21/2020	1262	USA Bluebook	Safety	1,028.02
Bill Pmt -Check	05/21/2020	1263	Anvil Builders	Capital Improvement: Well 16 Construction	485,735.00
Bill Pmt -Check	05/21/2020	1264	County of Sacramento	Capital Improvement: Well 16 Construction	1,230.00
Bill Pmt -Check	05/21/2020	1265	Domenichelli & Associates	Capital Improvement: Well 16 Design	20,486.46
Total 10000 - Bank - Operating Account					<u>713,866.23</u>

**Rio Linda Elverta Community Water District
Expenditure Report
May 2020**

Type	Date	Num	Payee	Memo	Amount
Check	05/01/2020	EFT	Revenue Refunding Bond Trustee	Loan Payment	114,447.04

10350 - Umpqua Bank **114,447.04**

Type	Date	Num	Payee	Memo	Amount
Transfer	05/21/2020	EFT	RLECWWD - Operating	CIP Expense Transfer: Refer to operating check numbers: 1262, 1263, 1264	507,451.46

10475 - Capital Improvement-Umpqua Bank **507,451.46**



Executive Committee Agenda Item: 2

Date: July 6, 2020

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of May 2020, then forward the report onto the July 20th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The financial reports are the District's balance sheet, profit and loss, and capital improvements year to date. This report provides the snapshot of the District's fiscal health for the period covered.

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform them of the District's current financial situation.

Rio Linda Elverta Community Water District

Balance Sheet

As of May 31, 2020

ASSETS

Current Assets

Checking/Savings

100 - Cash & Cash Equivalents

10000 - Operating Account

10020 - Operating Fund-Umpqua 638,007.40

Total 10000 - Operating Account 638,007.40

10475 - Capital Improvement

10480 - General 1,399,725.48

10485 - Vehicle Replacement Reserve 15,000.00

Total 10450 - Capital Improvement 1,414,725.48

Total 100 - Cash & Cash Equivalents 2,052,732.88

102 - Restricted Assets

102.1 - Restricted Capital Improvements

10700 - ZIONS Inv/Surcharge Reserve 515,060.23

Total 102.1 - Restricted Capital Improvements 515,060.23

102.2 - Restricted for Debt Service

10300 - Surcharge 1 Account 806,980.71

10350 - Umpqua Bank Debt Service 21,194.44

10380 - Surcharge 2 Account 151,736.30

A-3 - Misc 10385 - OpusBank Checking 3,120,625.96

Total 102.2 - Restricted for Debt Service 4,100,537.41

102.4 - Restricted Other Purposes

10600 - LAIF Account 295,201.01

10650 - Operating Reserve Fund 301,603.51

Total 102.4 - Restricted Other Purposes 596,804.52

Total 102 - Restricted Assets 5,212,402.16

Total Checking/Savings 7,265,135.04

Accounts Receivable 0.00

Other Current Assets

12000 - Water Utility Receivable 570,600.73

12200 - Accrued Revenue 0.00

12250 - Accrued Interest Receivable 2,153.92

15000 - Inventory Asset 56,276.61

16000 - Prepaid Expense 20,824.39

Total Other Current Assets 649,855.65

Total Current Assets 7,914,990.69

Fixed Assets

17000 - General Plant Assets 727,153.00

17100 - Water System Facilities 20,759,002.47

17300 - Intangible Assets 373,043.42

17500 - Accum Depreciation & Amort -9,282,773.19

18000 - Construction in Progress 1,313,099.20

18100 - Land 576,673.45

Total Fixed Assets 14,466,198.35

Other Assets

19000 - Deferred Outflows 262,764.00

19900 - Suspense Account 0.00

Total Other Assets 262,764.00

TOTAL ASSETS 22,643,953.04

Rio Linda Elverta Community Water District

Balance Sheet

As of May 31, 2020

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 60,386.05

Credit Cards 960.00

Other Current Liabilities 580,484.27

Total Current Liabilities 641,830.32

Long Term Liabilities

23000 · OPEB Liability 211,573.00

23500 · Lease Buy-Back 705,797.27

25000 · Surcharge 1 Loan 4,189,831.90

25050 · Surcharge 2 Loan 3,210,040.16

26000 · Water Rev Refunding 1,952,591.00

27000 · Community Business Bank 294,204.88

29000 · Net Pension Liability 987,630.00

29500 · Deferred Inflows-Pension 5,192.00

29600 · Deferred Inflows-OPEB 26,811.00

Total Long Term Liabilities 11,583,671.21

Total Liabilities 12,225,501.53

Equity

31500 · Invested in Capital Assets, Net 7,681,067.46

32000 · Restricted for Debt Service 702,232.24

38000 · Unrestricted Equity 1,674,622.00

Net Income 360,529.81

Total Equity 10,418,451.51

TOTAL LIABILITIES & EQUITY 22,643,953.04

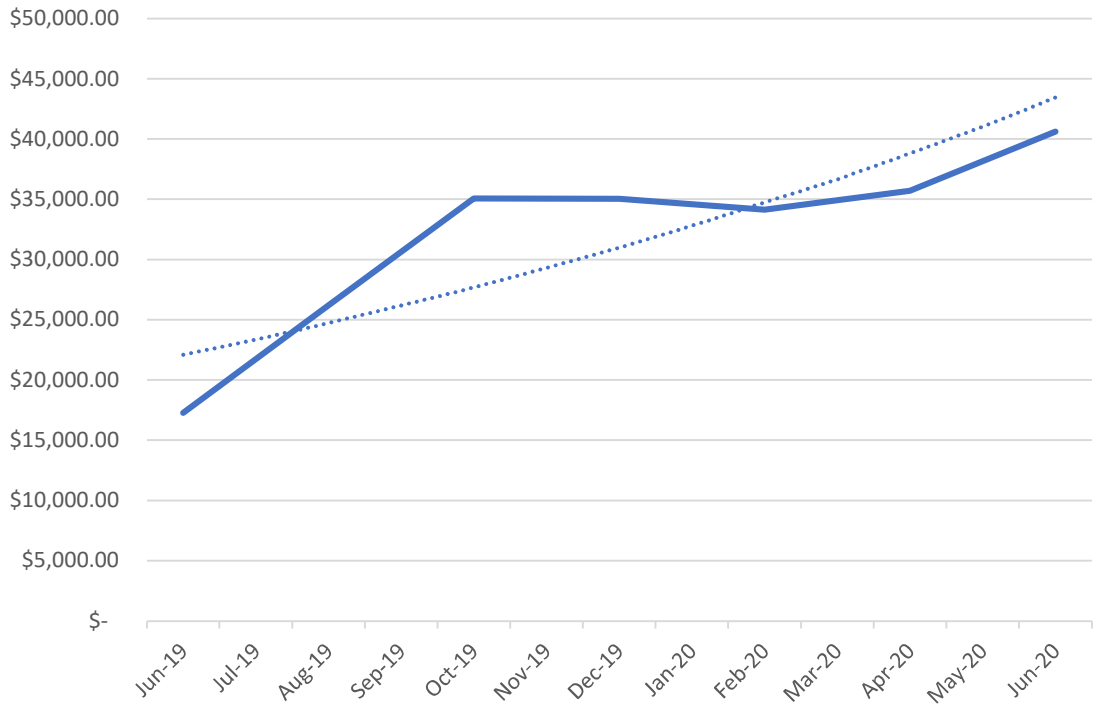
Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
As of May 31, 2020

	<u>Annual Budget</u>	<u>May 20</u>	<u>Jul 19-May 20</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,715,475.00	289,336.13	2,426,290.03	89.35%	289,184.97
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	13.62	1,927.85	481.96%	-1,527.85
Surcharg Total 41110 · Investment Revenue	400.00	13.62	1,927.85	481.96%	-1,527.85
41120 · Property Tax	81,856.00	39,985.59	95,163.73	116.26%	-13,307.73
Total 41000 · Nonoperating Revenue	82,256.00	39,999.21	97,091.58	118.04%	-14,835.58
Total Income	<u>2,797,731.00</u>	<u>329,335.34</u>	<u>2,523,381.61</u>	<u>90.19%</u>	<u>274,349.39</u>
Gross Income	2,797,731.00	329,335.34	2,523,381.61	90.19%	274,349.39
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	142,212.00	5,751.40	75,996.04	53.44%	66,215.96
60100 · Personnel Services					
60110 · Salaries & Wages	722,042.00	56,424.48	631,495.69	87.46%	90,546.31
60150 · Employee Benefits & Expense	455,210.00	29,535.85	379,944.87	83.47%	75,265.13
Total 60100 · Personnel Services	<u>1,177,252.00</u>	<u>85,960.33</u>	<u>1,011,440.56</u>	<u>85.92%</u>	<u>165,811.44</u>
A-3 · Misc 60200 · Administration	228,681.00	29,560.15	198,091.63	86.62%	30,589.37
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	529,200.00	47,901.45	443,061.21	83.72%	86,138.79
Total 60000 · Operating Expenses	2,077,645.00	169,173.33	1,728,589.44	83.20%	349,055.56
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	139,015.00	84,000.00	139,015.00	100.00%	0.00
69110 · Interest	61,717.00	30,447.04	61,716.55	100.00%	0.45
Total 69100 · Revenue Bond	<u>200,732.00</u>	<u>114,447.04</u>	<u>200,731.55</u>	<u>100.00%</u>	<u>0.45</u>
69125 · AMI Meter Loan					
69130 · Principle	48,281.00	0.00	48,280.64	100.00%	0.36
69135 · Interest	10,233.00	0.00	10,233.28	100.00%	-0.28
Total 69125 · AMI Meter Loan	<u>58,514.00</u>	<u>0.00</u>	<u>58,513.92</u>	<u>100.00%</u>	<u>0.08</u>
Total 69010 · Debt Service	<u>259,246.00</u>	<u>114,447.04</u>	<u>259,245.47</u>	<u>100.00%</u>	<u>0.53</u>
69400 · Other Non-Operating Expense	0.00	0.00	0.00	0.00%	0.00
Total 69000 · Non-Operating Expenses	<u>259,246.00</u>	<u>114,447.04</u>	<u>259,245.47</u>	<u>100.00%</u>	<u>0.53</u>
Total Expense	<u>2,336,891.00</u>	<u>283,620.37</u>	<u>1,987,834.91</u>	<u>85.06%</u>	<u>349,056.09</u>
Net Ordinary Income	<u>460,840.00</u>	<u>45,714.97</u>	<u>535,546.70</u>		
Net Income	<u><u>460,840.00</u></u>	<u><u>45,714.97</u></u>	<u><u>535,546.70</u></u>		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2019-20
 As of May 31, 2020

	GENERAL		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
BEGINNING FUND BALANCE	\$ 1,903,391.00	\$ 1,903,391.00	\$ (29,592.00)	\$ (29,592.00)	\$ 10,000.00	\$ 10,000.00
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	409,940.00	374,000.00	-	1,308.20	-	-
CIP Fund Intrafund Transfers	(5,000.00)	(5,000.00)	-	-	5,000.00	5,000.00
Surcharge 2 Surplus Repayment	-	-	110,201.00	-	-	-
Contributed Funding						
Contributed Facilities (Developers)	-	-	-	-	-	-
Grant Revenue	-	-	400,000.00	-	-	-
Loan Proceeds	-	-	450,000.00	81,413.80	-	-
Investment Revenue	4,500.00	4,943.26	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,312,831.00	2,277,334.26	930,609.00	53,130.00	15,000.00	15,000.00
PROJECTS						
A · WATER SUPPLY						
A-1 · Well XX - Cr6 Treatment/Design	-	-	50,000.00	-	-	-
A-2 · Well 16	-	-	800,000.00	629,178.76	-	-
A-3 · Miscellaneous Pump Replacements	40,000.00	2,004.72				
Total A · WATER SUPPLY	40,000.00	2,004.72	850,000.00	629,178.76	-	-
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00		-	-	-	-
B-2 · Large Meter Replacements	5,000.00	3,543.07	-	-	-	-
Total B · WATER DISTRIBUTION	35,000.00	3,543.07	-	-	-	-
C · CONTINGENCY						
C-1 · Contingency (10% of Est A,B,& M)	7,500.00	-	85,000.00	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	82,500.00	5,547.79	935,000.00	629,178.76	-	-
ENDING FUND BALANCE	\$ 2,230,331.00	\$ 2,271,786.47	\$ (4,391.00)	\$ (576,048.76)	\$ 15,000.00	\$ 15,000.00

Trend of Increasing ACH Customer Payment Method 135% increase over past 12-months





Executive Committee Agenda Item: 3

Date: July 6, 2020

Subject: RWA Executive Committee Minutes from 5-27-2020

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review onto the Agenda Item Report and other documents associated with this item, then provide staff direction as deemed necessary and appropriate.

Current Background and Justification:

On May 19th, the District provided formal, written notification of its withdrawal of membership in the Regional Water Authority (RWA). On May 27th, the RWA Executive Committee met and the RWA Executive Director apprised the RWA Executive Committee of the District's withdrawal. The RWA Executive Director, Jim Peifer erroneously summarized the reasons the District's Board of Directors voted in favor of withdrawal. The erroneous and misleading statements by the RWA Executive Director were conveyed to me by a meeting participant from another agency. I requested and received a video recording of the 5-27-2020 RWA Executive Committee meeting, which confirmed that the RWA Executive Director had mislead the RWA Executive Committee and any public member who participated in the meeting or who watches the video or who reads the minutes.

Accordingly, the RWA Chair, Kerry Schmitz and another RWA Executive Committee member, Ron Greenwood were contacted in an effort to correct the misleading statements. The District provided Ms. Schmitz and Mr. Greenwood with copies of the January and February RLECWD Board meeting videos as clear and compelling evidence that the RWA Executive Director's statements were erroneous. Then, Schmitz/Greenwood met with Director Gifford and the RLECWD General Manager, where the misstatements were further examined and explained.

Nevertheless, when the draft minutes of the May 27th RWA Executive Committee were distributed for the June RWA Executive Committee meeting, the errors and misstatements continued to be included. The District again reached out to the RWA Chair, but Ms. Schmitz would only concede to adding a statement to indicate that the District disagrees with the Executive Directors statements.

At this point and in consideration of all the likely possible outcomes from insisting upon a formal retraction, it may be prudent to disregard the bad behavior of the RWA Executive Director and RWA Chair. The District can take solace in knowing that withdrawal was not only justified due to divergence in vision and needs between the District and RWA. Withdrawal from an administration that practices deception and avoids transparency is further justified.

Conclusion:

I recommend the Executive Committee review this Agenda Item report and supporting documents associated with this item, then provide direction to staff as deemed necessary and appropriate.

Tim Shaw

From: Tim Shaw
Sent: Monday, June 1, 2020 2:54 PM
To: ronnygreenwood; Schmitz. Kerry (MSA)
Subject: RE: Odd Claims Additional Detail

Ron and Kerry:

Similar to the inaccurate portrayal of what I did and did not say to the RLECWD Board in facilitating an informed decision on the contemplated RLECWD withdrawal from RWA, the comments at the 5/27/2020 RWA Executive Committee also indicate Jim provided me with Federal Grant success data, and I failed to share such with the RLECWD Board. Linked below is the video of the 2/24/2020 RLECWD Board meeting, where the RLECWD considered and authorized sending a letter of concern to RWA regarding Federal Affairs.

The discussion on RWA Federal Affairs and the grant funding begins at the 21-minute mark of the linked RLECWD 2-24-2020 meeting video. The linked video conveys I did in fact share this information with the RLECWD Board. I did not share the information at the preceding RLECWD meeting, the January 27th meeting because the question was not asked by me and answered by Jim Peifer until February 13th, after the January meeting and prior to the February meeting, where the information was shared.

<https://vimeo.com/393759157?fbclid=IwAR0WPz9oHLVuNYUSrJ7HzkqCvb6WipFEMjXsFVo-y-B1YNaZRZqN2aM7Imk>

Despite Jim's portrayal of my approach to the contrary, I take the golden rule very, seriously. My basic approach to serving an elected board of directors is to ask myself, what would I want the General Manager (GM) to do if the roles were referenced. I would reasonably expect the GM to provide both pros and cons, and I would not expect the GM to spin the facts to only support the conclusion the GM favors.

Timothy R. Shaw

General Manager
Rio Linda / Elverta Community Water District
(916) 991-8891

From: Tim Shaw
Sent: Monday, June 1, 2020 12:19 PM
To: ronnygreenwood; Schmitz. Kerry (MSA <schmitzk@SacCounty.NET>
Subject: Odd Claims Additional Detail

Ron and Kerry:

I have been provided a recording of the May 27th RWA Executive Committee, and I have observed statements and allegations concerning misleading and unsupported statements, which are speculated to have lead to a misinformed decision by the RLECWD Board of Directors to withdrawal from RWA.

As best as I can determine the dialog surrounding the "odd claims" statement correlates to an allegation that I reported one of the Federal Affairs program options would increase RLECWD membership dues by "3-fold". Linked below is the video of the January 27, 2020 RLECWD Board meeting, where the attached Federal Affairs Ad Hoc Committee report, dated November 2019 was discussed. The video and attachment convey that I accurately reported the details to the RLECWD Board, including the approximate annual cost to RLECWE. The discussion on the video begins at approximately the 52-minute mark.

https://vimeo.com/388016677?fbclid=IwAR31vyOR3C_G4pG1euBldIP-nLzhd3z2l65l82r43auFRrjdUlsyteepM20

In trying to ascertain where the misstatements and inaccurate portrayal (that I asserted a cost of “3-fold increase”) of what I told the RLECWD Board may have originated, there is continuing discussion on the 1-27-2020 RLECWD meeting video regarding the then estimated (now known) withdrawal liability, i.e. estimating what it might cost RLECWD to withdraw from RWA. I advised the Board at the 1-27-2020 meeting that when we checked into withdrawal liability amounts a year prior (spring 2019) the withdrawal liability amount (the amount RLECWD would have to pay RWA for unfunded pension and OPEB costs) was approximately equal to 3.5 years of annual membership dues for RLECWD.

Similar to this inaccurate portrayal of what I allegedly told the RLECWD Board, there were other biased portrayals of my interactions with RWA, primarily the interactions with Executive Director. Some of those Brown Act, Ad Hoc, governance structure at RWA concerns are expressed in the video linked above. You can see that these concerns are not only my concerns. One might label those concerns as the spirit of the Brown Act or Brown Act philosophy to diminish their validity. Regardless, RLECWD Board Members have clearly expressed their genuine concerns that RLECWD representatives do not have reasonable access to the place and time where RWA decisions are being made.

I look forward to meeting with you as soon as I am amble to get availability from RLECWD Board Member Chris Gifford.

I am disappointed to have heard the disparagements made against my professionalism and motives.

Timothy R. Shaw

General Manager

Rio Linda / Elverta Community Water District

(916) 991-8891

for a water quality certification. You essentially subvert several one-year requirements and because of that you have waived your ability to regulate hydro projects under Section 401 of the Clean Water Act. This budget trailer bill basically says the waterboard does not have to wait for a document before it issues a water quality certification. It is clearly an issue for hydro projects and for 404 permits. And the budget trailer bill has some loose language about the state board being the state agency with authority to implement any laws related to water quality control.

Mr. Ojakian said that the water board can make their finding before CEQA and once they adopt the language be allowed to come back and reopen. The issue is more for hydro agencies than most of RWA member agencies and there is some loose language that could be regulatory or an expansion of authority. The only way to successfully change this is if the water community comes together with one voice on the issue. Both AB 2693 and AB 2621 bills relate to a resource bond measure. There will be a decision relative to the budget and debt service that a bond would create. In theory the legislature has to pass a bond measure for the ballot by June 20th shortly after that they have to pass the budget. They actually have until early August to put something on the ballot before they would pass the deadline where they would have to send a supplemental ballot. I have a support if amended recommendation on AB 2693. The purpose of the bill is to drive funding to source watersheds. The best information I have is that we are going to get funded with the resource bond measure.

M/S/C Mr. Bigley moved, with a second by Mr. Smith, to adopt positions on legislation. Ron Greenwood, Carmichael Water District, Marcus Yasutake, City of Folsom, Sean Bigley, City of Roseville, Michelle Carrey, City of Sacramento, Paul Schubert, Golden State Water Company, Brent Smith, Placer County Water Agency, Kerry Schmitz, Sacramento County and Dan York, Sacramento Suburban Water District voted yes. The motion carried by the unanimous voice vote of all directors present.

8. EXECUTIVE DIRECTOR'S REPORT

Mr. Peifer said that there were three documents included in the packet, a North State Water Alliance Brochure, a letter from the Rio Linda Elverta Community Water District declaring their withdrawal from the RWA and an e-mail from Tim Shaw, General Manager of Rio Linda. Mr. Peifer expressed that he believes it is disappointing that Rio Linda Elverta Community Water District is dropping out of the RWA because the RWA provides great value to them and that value is misunderstood by their organization. Mr. Peifer said it's not without trying as he had had conversations with Mr. Shaw. MR. Peifer summarized what he understood Rio Linda's complaints to be about the Regional Water Authority, one is perceived Brown Act violations and a lack of transparency and the other is what Mr. Shaw characterizes as expansions into areas that would be new for the RWA which he and the Rio Linda board do not support. With respect to the transparency issues, Mr. Peifer agreed with Mr. Shaw that we need to operate in a transparent way and

be compliant with the Brown Act and Mr. Peifer thinks we are doing that. Mr. Peifer said Mr. Shaw has represented to his board on video that the adoption of the federal affairs platform will raise dues for Rio Linda by threefold. Mr. Peifer said he did not understand where that information came from.

Note: Mr. Tim Shaw from the Rio Linda/Elverta Community Water District disagrees with Mr. Peifer comments made in the Executive Director's Report as reported in these minutes. This note was proposed by Mr. Peifer to acknowledge that disagreement and the Executive Committee voted to include this note in the minutes.

Mr. Peifer met with Mr. Shaw in February and explained the value of federal affairs, especially how it advances the Water Bank which is a federal initiative. Mr. Peifer explained to Mr. Shaw that the RWA would need federal acknowledgement of the groundwater bank from the Bureau of Reclamation and they are trying to understand this along with the impacts of the bank on their operations. Mr. Peifer explained to Mr. Shaw that it is helpful to engage in the federal level to help reclamation understand this and there is a lot of work that needs to go into this. Mr. Shaw remarked that this was new information to him. Mr. Peifer explained to Mr. Shaw that many of our members are interested in receiving funding if possible, through federal grants to advance their projects to achieve water supply reliability. The RWA has received about \$10 million in federal grants on behalf of their members since the creation of the RWA. Mr. Peifer indicated that an invoice has been sent to Rio Linda for payment of their pension liability that was calculated according to RWA policy. Rio Linda has a grant that is being processed for a groundwater well that has been ongoing for a while. Mr. Peifer expressed concern over Rio Linda wanting the benefits of being a member in the region and the work that the RWA does that underlies those benefits, but they are reluctant to pay for those benefits. Mr. Peifer noted for the Executive Committee that the Integrated Regional Water Management Plan is a core program for the RWA which all of the members pay into to support the planning which positions the region for the acquisition of grants and Rio Linda will no longer be paying into that.

There was consensus with the Executive Committee members that the departure of Rio Linda is disappointing. Agencies are not always going to agree with the position that RWA takes representing their members and the best interest of the region. The hope is that agencies can work together for communication in a productive way to iron out differences and understand different points of view.

Mr. Peifer replied to Mr. York's question of what happens if Rio Linda requests to rejoin the RWA in the future. According to RWA policy, they could rejoin with a two thirds approval of the RWA board of directors. They continue to be a member for 90 days from the date they declared their withdrawal.

Mr. Bezerra said that from his perspective on the Brown Act issues, as discussed with the Executive Committee and the RWA board we have two legislative bodies, the board of directors and the Executive Committee. We cannot have a quorum of either one at meetings concerning a subject matter of jurisdiction of RWA, therefore we have two different quorums to calculate. That is compounded by the fact that each agency has two seats and either person can cast a vote. Mr. Shaw's philosophical perspective is that all meetings should be as wide open as possible. Meetings should be called as RWA Board of Directors meetings so that they are wide open and that is an option for RWA to undertake if we want to call a board meeting because a majority may or may not be present. More importantly there is a possibility that a majority of one of the boards will be there. My job as the attorney is to sort through the Brown Act to figure out what you can and cannot do and I have tried to provide a range of options for what RWA can and can't do. One of the suggestions I made is that you do not necessarily have to call a special board meeting and you can have different types of meetings depending on the membership. I think Mr. Shaw did not think we should be doing things that way and his perspective was that all these meetings should be wide open. That is not my call as the attorney, that is the call of the executive and the board of directors as to how programs are structured.

Mr. Schubert commented that he appreciated Mr. Peifer's efforts with Rio Linda and his sensitivity to everyone's diverse interests. Our legal counsel, Mr. Bezerra attends our meetings to keep us in line with the Brown Act requirements.

Mr. Swartz is spending a fair amount of time on the groundwater transfer as it continues to progress including outreach. The RWA and SGA boards will be updated on the groundwater transfers at their next board meetings. Mr. Peifer recently participated in a panel discussion with the Public Policy Institute of California on groundwater transfers.

Ms. Talbot gave a presentation on water loss at the last board meeting. The State Water Resources Control Board is developing a regulation with an economic model. Ms. Talbot and colleagues with the California Municipal Utilities Association and the Association of California Water Agencies are engaged in this effort. The current dedication of resources is adequate however if the Executive Director determines that additional resources are needed the members will be notified. A detailed briefing by Ms. Talbot to the Executive Committee was suggested.

9. DIRECTORS' COMMENTS

Mr. Greenwood said that the Carmichael Water District is currently evaluating and auditing their employee benefits. They are looking for ways to improve storage capacity with their transfers and improve water reliability in future droughts. They are finalizing their 2021 budget. Board members Mr. Greenwood, Paul Selsky and Mark Emerson are up for reelection in November.



Executive Committee Agenda Item: 4

Date: July 6, 2020

Subject: Minor Edit to Cost of Living Adjustment Implementation Date

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review and forward this item onto the July 20th Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The minor change reflected below to the current collective bargaining agreement, Exhibit A would be more convenient to implement with the change to biweekly pay periods implemented in 2019. The current language compels the District to implement on December 1st, which was appropriate and convenient for semi-monthly pay dates (1st and 15th of each month). Forcing the implantation on the 1st of December can result in split pay rates within the same pay period, e.g. 16-hours at this rate and 64-hours at a different pay rate.

Employees shall receive the following COLA:

Cost of Living Adjustments will be provided ~~on~~ not later than December 1, 2019 and December 1, 2020 at the percentage set by the United States Department of Labor, Bureau of Labor Statistics, utilizing the Consumer Price Index for Western Urban Consumers (CPI-U) for the 12-month period ending in October of each adjustment year provided that COLAs shall not exceed three percent (3%) in any one year. However, if the CPI-U percentage increase is greater than 3 % in any one year, the amount over 3% shall be available as a "credit" to be applied if the CPI-U increase is less than 3% in any subsequent year of the term of this MOU.

If the Board agrees that the above described minor edit for convenience is worthy of pursuing, the next step would be to direct the GM to contact Teamster Local 150 and request meet and confer. It's more than likely that Teamster Local 150 would also be inclined to conduct the meet and confer process via email.

Department Staff Recommendation:

The Accounting Specialist is actually the staff member who provided the motive force and reminder that this will be a relevant (yet non-critical) issue for the December 2020 COLA implementation.

Conclusion:

I recommend the Executive Committee forward onto the July 20th Board agenda with the Committee's recommendation for Board adoption.



Executive Committee Agenda Item: 5

Date: July 6, 2020

Subject: Rate Study Status Report

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Agenda Item Report and receive the presentation of status up to the minute of the Committee meeting, then request any clarifications deemed necessary.

Current Background and Justification:

There is not anticipated Board actions anticipated or required associated with this item. The item is intended to facilitate Committee discussion on the ongoing rate study / cost of service analysis.

In the most recent (as of the writing of this report) correspondence with the rate study consultant, the consultant had follow up questions to the Board feedback on timing of water treatment operator employment costs and similarly Admin Manager employment cost. The timing was provided, now they want more information on estimated the increased employment expenses.

In correspondence not requiring Board feedback, the consultants requested clarifications on the private fire facilities rates and the need for an inoperable meter rate.

Department Staff Recommendation:

Staff has been kept up to date on the rate study and the recent feedback by the board as well as comments from Board Members. For example, staff was apprised that the Board provided feedback to the consultant on the timing of Water Treatment Certification. Staff then requested an update/reminder of the Hexavalent Chromium MCL re-establishment process.

Conclusion:

I recommend the Executive Committee forward onto the July 20th Board agenda to allow for similar dialog and status update for all Board Members.



Executive Committee Agenda Item: 6

Date: July 6, 2020

Subject: Authority of Specialty Legal Counsel and/or GM

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the material associated with this item and, if deemed necessary and appropriate, forward an item onto the July 20th Board agenda.

Current Background and Justification:

As the Board is aware, it was recently necessary to call a special meeting to conference with Legal Counsel regarding existing litigation. The subject matter of the special meeting was arguably straight forward and innocuous, which understandably inspires the question of whether a Board meeting was necessary.

One reason the Board meeting was necessary is the absence of any formally granted authority for the engaged specialty counsel and/or the General Manager to make decisions on behalf of the Board on existing litigation. For that matter, the Board has not corresponded with general legal counsel on the feasibility, limitations, and legal ramification of such a delegation.

Therefore, it is the intent of this agenda item to allow for discussion on the subject and further determine if a change in approach is something the District is interested expending resources to explore.

Department Staff Recommendation:

N/A

Conclusion:

I recommend the Executive Committee discuss this issue, then if deemed appropriate, direct staff to commence dialog (at District expense) with Legal Counsel (general) on feasibility of delegation.

devise a "common-law" of the statute.⁷ We have it from good authority that the legislative draftsman on occasion (for tactical reasons) deliberately fails to make explicit provision for a foreseen case.⁸ But such failure is inevitable. Language and experience alike can never be so divinely comprehensive as to make clear provision for all future cases.⁹

The occasions for delegating power to administrative officers have been variously enumerated.¹⁰ They can be compassed by a single generalization. Power should be delegated where there is agreement that a task must be performed and it cannot be effectively performed by the legislature without the assistance of a delegate or without an expenditure of time so great as to lead to the neglect of equally important business. Delegation is most commonly indicated where the relations to be regulated are highly technical or where their regulation requires a course of continuous decision. It is true that the contrast between legislative and administrative competence is sometimes exaggerated. A state legislature, for example, may command greater competence than a city zoning board. A legislature has its own expert members. Under the Congressional Reorganization Act the committees may hire an expert staff. Departmental draftsmen furnish assistance. The intelligence which informs legislation may have been previously learned in administration. Legislation seldom is erected on a *tabula rasa*; it issues as a further link in a chain reaction between the law-making organs.

It is thus possible, if for any reason desirable, for the legislature to produce a competent statute on a technical question. Congress for many years wrote every detail of the tariff laws.¹¹ The state legislatures originally

7. Cf. Eisenstein, *Some Iconoclastic Reflections on Tax Administration*, 58 HARV. L. REV. 477 (1945). He and a group of writers whose views he reflects make the point that the tax on "income" is in effect a delegation of power to the courts to determine the nature of income. There is, perhaps, some confusion in the thesis as to whether this is forced on the court because of the generality of the term "income" or whether it arises from the court's belief that it should treat as income what it believes should be taxed as such. The courts seem to have carried the conception somewhat beyond traditional accounting, *e.g.*, in identifying increments of value not previously recognized, [*Helvering v. Bruun*, 309 U. S. 461 (1940) of which Congress disapproved in Revenue Act of 1942, § 115] and in defeating devices for diverting the income flow from the presumptive taxpayer. *Helvering v. Clifford*, 309 U. S. 331 (1940).

8. ILBERT, *THE MECHANICS OF LAW MAKING* 19-23 (1914).

9. The subject is a favorite of Jerome Frank, who pays tribute to Aristotle's acute recognition of the point. See *Giuseppi v. Walling*, 144 F.2d 608, 616, n. 15a (C. C. A. 2d 1944); *McAllister v. Comm'r*, 157 F.2d 235, 239, 240 (C. C. A. 2d 1946).

10. See COMER, *LEGISLATIVE FUNCTIONS OF NATIONAL ADMINISTRATIVE AUTHORITIES* 15 *et seq.* (1927). Advantages of delegation are: (1) greater knowledge of what will work, (2) increased speed, (3) more flexibility, (4) greater permanence, continuity and

Supreme Court of California

WM. A. SCOLLAY, Appellant, v. THE COUNTY OF BUTTE, Respondent

67 Cal. 249
No. 9701
July 30, 1885

Background

In the year 1876, Butte County was the owner and holder of two hundred railroad bonds of the California Northern Railroad Company, secured by mortgage, the principal and interest of which had become due and payable; but the company would not pay, and the county was desirous of collecting them. Under those circumstances two persons, W. S. Watson, and William Corcoran, proposed to the board of supervisors of the county that they would collect them without attorney's fees, expenses, or costs to the county, for fifty cents on the dollar. The board accepted the proposal, and on the 3d of October, 1876, a written contract to that effect was drawn and signed by the chairman of the board in the name of the county, and by Watson and Corcoran; and the contract thus signed was ratified by the board.

Conclusion

It may be conceded that the board of supervisors had power to contract for the collection of the property of the county; but in the exercise of that power it had no authority to delegate to others, whom it employed for that purpose, the power to determine whether to commence a suit in the name of the county, and to select and employ attorneys to commence and prosecute such a suit; nor to abdicate its control of the prosecution of such a suit, or to make its compromise or settlement dependent upon the written consent of strangers. The commencement of a lawsuit, the selection and employment of attorneys to commence and *255 prosecute it, and the compromise and settlement of the same are acts which involve the exercise of judgment and discretion; and it is well settled that powers conferred upon a municipal corporation to do such acts **cannot be delegated to others. Such powers are in the nature of public trusts conferred upon the corporation for the public benefit, and cannot be vicariously exercised. (Cooley's Const. Lim. 204.)** Hence the contract in suit was *ultra vires*; and the court below properly sustained the demurrer.



Executive Committee Agenda Item: 7

Date: July 6, 2020

Subject: General Status Update from the District Engineer

Contact: Mike Vasquez, PE, PLS, Contract District Engineer

Recommended Committee Action:

Receive a status report on specific focus items currently being addressed by the District Engineer.

Current Background and Justification:

Subjects anticipated for discussion include:

- Well 16 Pump Station Construction
- Electric Avenue Residential Development
- Fox Hollow Residential Development

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the July 20, 2020 Board of Directors Meeting agenda with recommendations as necessary.