

**MINUTES OF THE FEBRUARY 21, 2023  
BOARD OF DIRECTORS REGULAR MEETING  
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

**1. CALL TO ORDER, ROLL CALL**

The February 21, 2023 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor Depot Center 6730 Front St., Rio Linda, CA 95673. This meeting will be physically open to the public.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director Vicky Young, Director Chris Gifford, Director Mary Harris, Director Anthony Cline and General Manager Tim Shaw, District Engineer Mike Vasquez, and Legal Counsel were present. Director Green led the pledge of allegiance.

**2. PUBLIC COMMENT** – Public member stated that she emailed GM Tim Shaw on Friday with no response concerning two water leaks. First leak was on 2nd Street and another appeared to be the backflow device at Foods 4 Less shopping center. She inquired if the water loss at these two leaks is being lumped into the percentage of water used by customers.

**3. CONSENT CALENDAR**

**3.1. Minutes January 21, 2023**

**3.2 December Expenditures**

**3.3 December Financials**

Comments/Questions – President Harris stated that the comment made by herself for item 4.4 in the January 21<sup>st</sup> minutes was to go back to committee not the Board. She further asked to have a summary added of the Boards discussion for agenda item 4.6.

*It was moved by Director Cline and seconded by Director Green to approve the consent calendar. Directors Green, Harris, Gifford, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.*

**4. REGULAR CALENDAR**  
**ITEMS FOR DISCUSSION AND ACTION**

**4.1 GM Report.**

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

Comments/Questions-President Harris inquired about the participation of the members that attended the Acwa meeting. GM Shaw stated it is open to all members to attend.

Director Young inquired on the damage from the recent storm. GM Shaw responded that they were waiting on a fence quote and a temporary patch was made to the flat roof of the District office, since the quote received to replace the roof was \$52k.

Public member commented on the property tax revenue received.

*The Board took no action on this item.*

**4.2 District Engineer's Report.**

The Contract District Engineer report provided a General District Engineering, Active Development Reviews (only projects with updates from the last Board Meeting), CIP Dry Creek Road Pipe Replacement Project.

Comments/Questions – No public comment.

*The Board took no action on this item.*

#### **4.3 Consider Adopting Resolution 2023-01, Encouraging Paperless Billing**

The concept of encouraging paperless billing has been discussed by the District for many years. Generally, the District supports the efforts which would benefit customers who opt into the program and has no impact on customers who wish to continue receiving a hard copy of the bill via USPS.

The February 6th Executive Committee discussed the current impediments for establishing a \$1 credit incentive. Primarily, the District's billing services provider, Continental Utility Services Inc (CUSI) requires changes to the data base and bill report format to implement the credit for paperless billing. Such changes have not yet reached a level of refinement needed to launch the incentive option. Accordingly, the General Manager advised the Committee they could postpone forwarding the Draft Resolution onto the February 21st Board agenda or forward the item with the caveat that implementation will be delayed until the CUSI required changes are completed.

The Executive Committee directed staff to forward the item onto the February 21st Board agenda and seek Legal Counsel feedback on the preferred method of adopting a Resolution inhibited by an effective milestone instead of an effective date.

Comments/Questions – Director Harris inquired if this was free service. GM Shaw responded it would be a credit if the customer chooses to have a paperless bill.

The Board discussed to implement the policy.

Public member inquired about the cost for the online service to pay your bill. GM Shaw responded that this item is not about paying your bill, but receiving a credit by having the bill emailed. Public member inquired about the online payment security.

*It was moved by Director Gifford and seconded by Director Cline to adopt Resolution 2023-01 if the CUSI billing software will allow to issue a mass credit to customers electing paperless billing. Directors Green, Gifford, Cline and Young voted yes. Director Harris voted no. The motion carried with a roll call vote of 4-1-0.*

#### **4.4 Consider Adopting Resolution 2023-02, Changing the days for Regular Meetings of the RLECWD Board.**

Although the item was not discussed at the February 6th Executive Committee, it has been discussed at prior Board meetings. Additionally, the Board President corresponded to request a Resolution to change the District policy on meeting days be included in the February 21st Board agenda.

Staff has coordinated with the appropriate Rio Linda Elverta Recreation and Parks District personnel to determine availability of alternative recurring days for use by RLECWD of the Visitors / Depot Center.

Draft Resolution 2023-02 reflects the available days for use of the Visitors / Depot.

Regular meetings of the Executive Committee are also impacted. The change in meeting days also includes moving the Executive Committee meetings to the Second Wednesday of each month.

The Draft Resolution 2023-02 includes a blank for the effective date of change. There are no holiday impacts for the 1st and 3rd Mondays until June. If the Board finds it appropriate to adopt Resolution 2023-02, the recommended start of the new meetings schedule would be June of 2023, i.e. Executive Committee on Wednesday, June 14th and Board meeting on Monday, June 26th.

Comments/Questions –The Board discussed when this change should take effect.

*It was moved by Director Young and seconded by Director Green to adopt Resolution 2023-02 changing the Regular Board Meeting days effective March 01, 2023. Directors Green, Gifford, Harris, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.*

#### **4.5 Consider Adopting Resolutions 2023-03 and 2023-04 Authorizing Transition to ACWA JPIA Workers Compensation Insurance**

This item has been discussed at several past RLECWD Board meetings and the Board has approved transitioning to Worker's Compensation insurance through ACWA JPIA.

The incentive for transitioning is purely financial. The District's current Worker's Compensation insurance provider is Special Districts Risk Management Authority, which is the California Special Districts Association (CSDA) Joint Powers Insurance Authority (JPIA). When the District transitions to ACWA JPIA, which already provides the District's Property and Liability insurance, the District's rate payers will save the annual membership cost associated with membership in CSDA.

The projected savings beginning in July (start of fiscal year 2023-2024) is \$10,808 per year.

ACWA JPIA requires both resolutions 2023-03 and 2023-04 to authorize and enable the transition.

Comments/Questions – Director Cline inquired if the billing is standard. GM Shaw responded yes.

Director Harris inquired about dropping CSDA. GM Shaw stated by moving the District’s Workers Compensation Insurance to ACWA would be dropping CSDA.

***It was moved by Director Cline and seconded by Director Young to adopt Resolutions 2023-03 and 2023-04 Authorizing Transition to ACWA JPIA Workers Compensation Insurance. Directors Green, Gifford, Harris, Cline and Young voted yes. The motion carried with a roll call vote of 5-0-0.***

#### **4.6 Consider Accepting the Independent Auditor’s Report and Annual Comprehensive Financial Report for Fiscal Year Ending 6-30-2022.**

Statutory requirements as well as fundamentals of transparency, fiscal responsibility, and good governance compel the District to obtain an independent audit for each fiscal year.

The audit report reflects the District’s continued excellence in financial reporting. As appropriate, the Management Discussion and Analysis section of the report provides perspective for the District’s financial position in a narrative format intended to objectively inform the public we serve.

One aspect of the audit report that deserves recognition is on Page-11:

The CalPERS Unfunded Accrued Liability or UAL prepayment of \$500,000 in June 2021 has a resulted in net decrease in the District’s Net Pension Liability of \$1,113,041 or 99.6% from \$1,117,944 in June 2021 to \$4,903 in June 2022 (see page 10). The \$1,113,041 adjustment offsets the Personnel Services resulting in a \$970,314 or 81.5% decrease (see page 11).

The Comprehensive Annual Financial Report (CAFR) is now called the Annual Comprehensive Financial Report (ACFR). The ACFR (formerly CAFR) is primarily the audit report with financial analysis provided in plain language as to convey the financial status of the District to the public served in easier to understand terms.

Comments/Questions –

***It was moved by Director Young and seconded by Director Green to accept the Independent Auditor’s Report and Annual Comprehensive Financial Report for Fiscal Year Ending 6-30-2022. Directors Green, Gifford, Cline, Harris and Young voted yes. The motion carried with a roll call vote of 5-0-0.***

#### **4.7 Consider Approving a Budget Revision for Fiscal Year 2022-2023 Budget**

Although this item was on the February 6<sup>th</sup> Executive Committee agenda, the discussion on this item was inadvertently skipped. Further details are included in the minutes of the February 6<sup>th</sup> meeting.

Current District policy stipulates that the General Manager is authorized to perform “minor budget revisions” defined as a revision which does not increase overall spending, e.g., moving funding from one line item to another. This proposed budget revision entails increases in overall spending. As such, this budget revision requires Board approval.

Currently there are several budget line items that will require additional funding to preclude an overbudget condition. Without Board approval, staff is not authorized to pay invoices for charges in excess of the line item budget amount.

The items below are the relevant line items:

- General Counsel Legal Fees – Increase from \$15,000 to \$22,800.
- Board Member / Meeting Expense – Increase from \$14,200 to \$15,700.
- Permits and Fees – Increase from \$37,500 to \$46,600.
- Elections – Decrease from \$3,000 to \$1,887.
- Net Income – Decrease from \$600,795 to \$583,508.

Additional details, including an explanation of the need for the line items’ revision, is included with the budget revision document associated with this item.

Comments/Questions – Discussion was made by the public on the confusion of the budget changes.

*It was moved by Director Gifford and seconded by Director Cline to approve the budget revision for FY 2022-2023 Budget. Directors Green, Gifford, Cline, Harris and Young voted yes. The motion carried with a roll call vote of 5-0-0.*

#### **4.8 Consider A Board Finding of Consensus to Support Re-Certification of the General Manager for Distribution Operator and Water Treatment Operator.**

The February 6th Executive Committee meeting discussed succession planning and policies (lack thereof) in the event of a sudden / unanticipated loss of key District personnel.

In the event of a sudden loss of key personnel, it would be beneficial to enable the General Manager to perform operational duties. The General Manager has been licensed as a Distribution System Operator and a Water Treatment Operator, the licenses require a stipulated number of continuing education hours to renew the licenses. The General Manager intentionally allowed his licenses to expire due to priorities and the lack of need for maintaining operating licenses. To re-license, the General Manager would need to take and pass the certification tests. The application and certification fees for both license is \$250 total (\$125 for each license).

The District policy and California Labor Code 2802 stipulates the District pay for job related expenses. Therefore, what is needed is the Board's consensus that re-establishing the General Manager's operating licenses is a job-related expense.

California Health & Safety Code, Division 104 (document associated with this item) establishes severe penalties for both the person and the entity (agency) for allowing operation of water distribution systems without proper licenses.

Comments/Questions- Director Young confirmed the cost of the licensing fee. Director Cline stated he reviewed the MOU and did not understand the concern if the contract states the employees cannot strike. Director Harris commented that she would be opposed to recertification of the GM for his licenses.

*It was moved by Director Harris to decline recertification of licenses for the General Manager. No second. The motion failed.*

*It was moved by Director Cline and seconded by Director Green to support the re-certification of the GM for Distribution Operator and Water Treatment Operator. Directors Green, Gifford, Cline and Young voted yes. Director Harris voted no. The motion carried with a roll call vote of 4-1-0.*

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

Director Harris attended the Water Forum meeting and stated it was very hard to hear. Director Harris stated she would like to step down from the committee since the GM also attends.

*It was moved by Director Harris and seconded by Director Cline to remove Director Harris from the Water Forum Assignment. Directors Green, Gifford, Cline, Harris and Young voted yes. The motion carried with a roll call vote of 5-0-0.*

## **5. INFORMATION ITEMS**

### **5.1 District Activities Reports**

- 5.1.1 Water Operations Report – Written report provided.
- 5.1.2 Completed and Pending Items Report – Written report provided.
- 5.1.3 Leak Repair Report – Report provided.
- 5.1.4 New Drought Reporting Requirements - Information provided.
- 5.1.5 Hex Chrome MCL Adoption Documents
- 5.1.6 Surcharge #1 Accounting Documents

Comments/Questions – Public member commented that Fair Oaks is not comparable to the District. Public member questioned the change out of meter and leak reports.

### **5.2 Board Member Report**

- 5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action taken.
- 5.2.2 Sacramento Groundwater Authority – Harris (primary) – Agenda Provided.

- 5.2.3 Executive Committee – Gifford, Cline – Minutes provided.
- 5.2.4 ACWA/JPIA – Cline – Nothing to report.
- 5.2.5. Water Forum – Harris – Attended meeting.
- 5.2.6 Ad Hoc – COLA Committee – Committee update will be in closed session.

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

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

- 7.1 **CONFERENCE WITH LABOR NEGOTIATORS** - (Pursuant to Government Code Section 54957.6) District Negotiators; Shaw, Gifford, and Green.  
RLECWD Employee General Unit, Teamster Local 150 regarding collective bargaining agreement 2022 COLA negotiations.

**RECONVENE IN OPEN SESSION**

- 7.2 Announce any reportable actions authorized in Closed Session.

President Harris stated there was no reportable action taken.

**8. DIRECTORS' AND GENERAL MANAGER COMMENTS –NONE.**

**9. ADJOURNMENT -** The meeting was adjourned at 8:08pm.

Respectfully submitted,

Signature on File  
Timothy R. Shaw, Secretary

Signature on File  
Mary Harris, President of the Board