

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

APRIL 15, 2019 (6:30 p.m.)

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

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

AGENDA

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

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

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

2. PUBLIC COMMENT

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

March 18, 2019 Board Meeting

3.2 Expenditures – March Expenditures

3.3 Financial Reports – March Financial Reports

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1 Consider RWA Withdrawal Contemplation (Rob Swartz)

4.1.a Consider RWA Water Bank Phase 1 Participation

4.2 GM Report – Tim Shaw

4.3 District Engineer’s Report – Mike Vasquez

4.4 Consider Capacity Fee Agreement with Twin Rivers Unified School District for new 2-inch water service at Westside Elementary School.

4.5 Discuss Capital Improvement Projects List and the District’s process for revising the list.

4.6 Consider approving District Revised and Re-established Finance Policies

4.6.a Consider Authorize Investing the Existing Capacity Fees in LAIF

4.7 Consider Consolidate the District's Two Standing Committees into One Standing Committee.

4.8 Consider approving the Umpqua Bank Terms and Conditions for Services.

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

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- a. Water Operations Report
- b. Conservation Report

5.2. BOARD REPORTS

- a. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- b. Regional Water Authority – Dills (Primary), Shaw
- c. Sacramento Groundwater Authority – Paul Green (Primary), Harris
- d. LAFCO – Paul Green
- e. Planning Committee – Dills, Harris
- f. Finance / Administrative Committee – Ridilla, Harris
- g. ACWA – Paul Green
- h. ACWA/JPIA – Paul Green, Ridilla
- i. AD Hoc Committees
 - 1. MOU Negotiations – Dills, Harris
 - 2. RWA Withdrawal Contemplation – Dills, Paul Green
- j. Other Reports, e.g. Harris/Ridilla attendance at SDRMA Spring Education Day.

6. DIRECTORS’ AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

Upcoming meetings:

Planning Committee

May 3, 2019, Tuesday, 2:00 pm at the Visitor’s/Depot Center, 6730 Front Street, Rio Linda, CA 95673.

Finance / Administrative Committee

May 13, 2019, Monday, 6:30 pm at the Visitor’s/Depot Center, 6730 Front Street, Rio Linda, CA 95673.

Regular Board Meeting

May 20, 2019, Monday, 6:30 pm at Visitor’s /Depot Center, 6730 Front Street, Rio Linda, CA 95673.



**Consent Calendar
Agenda Item: 3.1**

Date: April 15, 2019

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____ Paul Green:_____ Ridilla:_____ Harris:_____ Jason Green _____.

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

**MINUTES OF THE
MARCH 18, 2019
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The March 18, 2019 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Visitor's Depot Center located at 6730 Front Street, Rio Linda, CA 95673. General Manager Tim Shaw took roll call of the Board of Directors. Director Harris, Director Jason Green, Director Paul Green, Director Brent Dills and President John Ridilla, and General Manager Tim Shaw were present. Director Jason Green led the pledge of allegiance.

2. PUBLIC COMMENT

3. CONSENT CALENDAR

3.1 Minutes

February 25, 2019 and March 04, 2019

3.2 Expenditures

3.3 Financial Reports

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

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report

GM Shaw provided his written report to the Board.

No public comment.

The Board made no action on this item

4.2 District Engineer's Report

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

Mike informed the Board that Well #16 design is underway.

No public comment on this item.

The Board made no action on this item

4.3 Consider Authorizing the transfer of funds from the Local Agency Investment Fund (LAIF) to California Employers' Retiree Benefit Trust (CERBT) for Retiree Medical Insurance Obligations.

The District has already executed a contract with California Employers Retiree Benefits Trust (CERBT) for pre-funding retiree medical via an investment vehicle with a higher rate of return than the previous Local Agency Investment Fund (LAIF). The committees and board sessions leading up to the execution of the CERBT contract clearly conveyed the District's desire to transfer LAIF funds to the CERBT investment program. Now it is time to execute the change.

GM Shaw informed the Board that the LAIF account can remain open without funds for future use of investments like capacity fees, so the LAIF's current balance can be transferred into the CERBT fund.

It was moved by Director Harris and seconded by Director Ridilla to authorize the transfer of funds from the Local Agency Investment Fund (LAIF) to California Employers' Retiree Benefit Trust (CERBT) for Retiree Medical Insurance Obligations. Directors Dills, Jason Green, Harris, Paul Green and Ridilla voted yes. The motion carried with unanimous vote of 5-0-0.

4.4 Authorizing the Master Services Agreement with California Bank and Trust to enable the District to accept Automated Clearing House (ACH) payment method (initially discussed at 2-25-2019 Board meeting).

Legal Counsel has been reviewing the substantially comprehensive MSA pursuant to the Board direction at the February 25th meeting. Additionally, staff has been evaluating the feasibility and timing of seeking banking services from another source, preferably with a more reasonable MSA. GM Shaw informed the Board that there is no contractual agreement or penalty to enable the MSA with CB & T and later execute a preferential agreement with another bank.

It was moved by Director Dills and seconded by Director Ridilla to approve the MSA with CB & T and continue evaluating an agreement with another bank. Directors Dills, Jason Green, Harris, and Ridilla voted yes. Director Paul Green voted no. The motion carried with a vote of 4-1-0.

4.5 Consider authorizing the RWA Water Bank Phase 1 Participation Agreement.

The Regional Water Authority (RWA) Regional Water Reliability Plan has centered around conjunctive use since inception. The manifestation of conjunctive use is the Water Bank. A key element of the Water Bank is to secure funding from both inside (participants) and outside of the region. A form of funding would be purchasing of banked water during dry years. Outside the region, there may be funding from grants and potential water purchasers outside the region to construct the infrastructure, e.g. interties and transmission lines.

The first phase is relatively low cost. The calculated RLECWD share is \$4000, with a not to exceed (contingency for if some agencies drop out) of \$4,800. Participation in phase one does not obligate the District to participate in phase two, which is expected to cost substantially more.

The District would have to remain in RWA in order to participate in Phase 1 of this agreement. The Board needs to determine if whether they are okay with remaining a 4,700 connection, groundwater only agency, or they are willing to invest in the chance for a solution to the PF-8 prohibition.

It was moved by President Ridilla to table the item and invite Rob Swartz from RWA to our next Board meeting.

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

President Ridilla stated the Planning Committee would remain with Director Dills and Harris and the Finance / Admin. Committee would remain with himself and Director Harris.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- a. Water Operations Report
- b. Conservation Report

5.2. BOARD REPORTS

- a. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- b. Regional Water Authority – Agenda, Executive Summary written report provided.
- c. Sacramento Groundwater Authority – No meeting.
- d. LAFCO – Paul Green
- e. Planning Committee – No Minutes, meeting was canceled.
- f. Finance / Administrative Committee – Minutes provided.
- g. ACWA –
- h. ACWA JPIA -
- h. AD Hoc Committees
 - 1. MOU Negotiations –
 - 2. RWA Withdrawal Contemplation –
- i. Other Reports

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

GM Shaw informed the Board that he received a request for a letter of support to be sent to Senator Nielsen and Assemblyman Gallagher for funding for Paradise surface water agency. The Board agreed to send the letter.

No public present for comment on closed session.

The Board convened to closed session at 7:23 p.m.

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

A. CONFERENCE WITH LABOR NEGOTIATORS - (Pursuant to Government Code Section 54954.5(f) and Government Code Section 54957.6) District Negotiators: Harris, Dills, Shaw, and Vierra.

RLECWD Employee General Unit MOU renewal negotiations.

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (Pursuant to paragraph (1) of subsection (d) of Government Code Section 54956.9)

Two Cases:

Rio Linda Elverta Community Water District v. United States, Case No. 1:17-cv-00859

Rio Linda Elverta Community Water District v. United States, Case No. 2:17-cv-01349

8. RECONVENE OPEN SESSION

8.1 REPORT OF ACTIONS TAKEN IN CLOSED SESSION.

The reconvened to open session 7:53 p.m.

The Board reported out they agreed to sign the Common Interest Agreement with Sacramento Suburban Water District pursuant to current litigation. *The vote in closed session carried with unanimous vote of 5-0-0.*

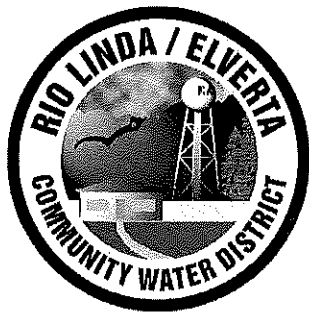
9. ADJOURNMENT

President Ridilla adjourned the meeting at 7:55 p.m. in honor of GM Tim Shaw's father-in-law, Keith Woodrow Cariker, who passed away last night.

Respectfully submitted,

Timothy R. Shaw, Secretary

John Ridilla., President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: April 15, 2019

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance and Administrative Committee recommends approval of the Expenditures for the month of March 2019.

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for March 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____ Paul Green:____ Ridilla:____ Harris:____ Jason Green _____.

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

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

Type	Date	Num	Name	Memo	Amount
Liability Check	03/04/2019	EFT	QuickBooks Payroll Service	For PP Ending 02/28/2019 Paydate 03/05/2019	16,411.48
Liability Check	03/05/2019	EFT	CalPERS	For PP Ending 02/28/2019 Paydate 03/05/2019	1,762.83
Liability Check	03/05/2019	EFT	CalPERS	For PP Ending 02/28/2019 Paydate 03/05/2019	1,652.16
Liability Check	03/05/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	03/05/2019	EFT	Nationwide	Employee Benefits	1,186.02
Bill Pmt -Check	03/05/2019	EFT	Adept Solutions	Computer Maintenance	1,109.00
Bill Pmt -Check	03/05/2019	EFT	Arco	Transportation Fuel	576.99
Bill Pmt -Check	03/05/2019	EFT	Comcast	Phone/Internet	416.49
Bill Pmt -Check	03/05/2019	EFT	Republic Services	Utilities	85.82
Bill Pmt -Check	03/05/2019	EFT	Voyager Fleet Commander	Transportation Fuel	407.43
Liability Check	03/05/2019	EFT	Internal Revenue Service	Employment Taxes	5,483.98
Liability Check	03/05/2019	EFT	Employment Development	Employment Taxes	1,027.99
Paycheck	03/05/2019	5823	Employee	For PP Ending 02/28/2019 Paydate 03/05/2019	92.35
Check	03/05/2019	5824	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Liability Check	03/05/2019	5825	Franchise Tax Board	Employee Garnishment	286.95
Bill Pmt -Check	03/05/2019	5826	ACWA/JPIA	Employee Benefits	23.50
Bill Pmt -Check	03/05/2019	5827	American Mobile Shredding, Inc.	Office Expense	25.00
Bill Pmt -Check	03/05/2019	5828	Buckmaster Office Solutions	Office Equipment Expense	346.20
Bill Pmt -Check	03/05/2019	5829	EKI Environment & Water	Engineering - Nov/Dec 2018	6,833.33
Bill Pmt -Check	03/05/2019	5830	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	50.00
Bill Pmt -Check	03/05/2019	5831	Rio Linda Hardware and Building Supply	Shop Supplies	325.69
Bill Pmt -Check	03/05/2019	5832	SMUD	Utilities	10,218.76
Bill Pmt -Check	03/05/2019	5833	Spok, Inc.	Field Communication	15.19
Bill Pmt -Check	03/05/2019	5834	Vanguard Cleaning Systems	Janitorial	195.00
Check	03/05/2019	5835	Void	Void	0.00
Liability Check	03/18/2019	EFT	WageWorks	Employee Benefits	71.00
Liability Check	03/19/2019	EFT	AFLAC	Employee Benefits	651.04
Liability Check	03/19/2019	EFT	QuickBooks Payroll Service	For PP Ending 03/15/19 Pay date 03/20/19	18,923.60
Bill Pmt -Check	03/19/2019	EFT	WageWorks	Employee Benefits	327.80
Liability Check	03/20/2019	EFT	CalPERS	For PP Ending 03/15/19 Pay date 03/20/19	2,020.18
Liability Check	03/20/2019	EFT	CalPERS	For PP Ending 03/15/19 Pay date 03/20/19	1,876.56
Liability Check	03/20/2019	EFT	Internal Revenue Service	Employment Taxes	6,490.96
Liability Check	03/20/2019	EFT	Employment Development	Employment Taxes	1,306.54
Liability Check	03/20/2019	EFT	Nationwide	Employee Benefits	1,255.30
Liability Check	03/20/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	03/20/2019	EFT	Kaiser Permanente	Employee Benefits	342.43
Liability Check	03/20/2019	EFT	Principal	Employee Benefits	1,483.03
Liability Check	03/20/2019	EFT	Western Health Advantage	Employee Benefits	12,350.17
Bill Pmt -Check	03/20/2019	EFT	Verizon	Field Communication	232.64
Check	03/20/2019	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,835.00
Check	03/20/2019	EFT	RLECWD - SURCHARGE ACCOUNT 1	Current Monthly Transfer	42,500.00
Check	03/20/2019	EFT	RLECWD - Operating	Transfer funds for Security Deposits paid with Credit Card	1,200.00
Check	03/20/2019	EFT	RLECWD - Capital Improvement	Transfer funds for Community Business Bank UMS Reimbursement	41,835.00
Bill Pmt -Check	03/20/2019	EFT	Bankcard Center 2911	Computer, Meetings, Office, Permits, Postage	634.99

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

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	03/20/2019	EFT	Bankcard Center 7806	Office Expense	410.34
Bill Pmt -Check	03/20/2019	EFT	Bankcard Center 8200	Shop Supplies	69.76
Liability Check	03/20/2019	5836	Teamsters Local #150	Union Dues	608.00
Check	03/20/2019	5837	Sacramento County Clerk/Recorder	Permits & Fees	131.00
Check	03/20/2019	5838	Postmaster	Postage - Bulk mail refill	2,255.52
Bill Pmt -Check	03/20/2019	5839	BSK Associates	Lab Fees	255.00
Bill Pmt -Check	03/20/2019	5840	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	03/20/2019	5841	OPUS Bank	Surcharge 2 Loan Payment	105,302.12
Bill Pmt -Check	03/20/2019	5842	PG&E	Utilities	123.77
Bill Pmt -Check	03/20/2019	5843	Quill	Office Expense	58.52
Bill Pmt -Check	03/20/2019	5844	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	03/20/2019	5845	The News	Publishing	44.00
Bill Pmt -Check	03/20/2019	5846	UniFirst Corporation	Uniforms	273.59
Bill Pmt -Check	03/20/2019	5847	EKI Environment & Water	Capital Improvement: Well 16	6,872.50
Bill Pmt -Check	03/21/2019	EFT	WageWorks	Employee Benefits	20.00
Bill Pmt -Check	03/27/2019	EFT	WageWorks	Employee Benefits	38.40
Total 10000 - Bank - Operating Account					361,874.37

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

10100 · Security Deposits

Type	Date	Num	Payee	Memo	Amount
Transfer	03/20/2019	EFT	RLECWD - Operating Account	February 2019 Security Deposits Applied	200.00

10100 · Security Deposits

200.00

Type	Date	Num	Payee	Memo	Amount
Check	03/20/2019	EFT	RLECWD	Transfer Loan Payment paid by Operating Funds	105,302.12

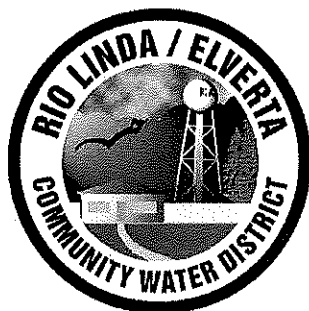
10375 · Surcharge Account 2

105,302.12

Type	Date	Num	Payee	Memo	Amount
Transfer	03/20/2019	EFT	RLECWD - Operating	Transfer see operating checks numbers 5847	6,872.50

10455 · Capital Improvement Reserve

6,872.50



Consent Calendar Agenda Item: 3.3

Date: April 15, 2019

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance and Administrative Committee recommends approval of the Districts Financial Reports for the month of March 2019.

Current Background and Justification:

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

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

Conclusion:

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

Board Action / Motion

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

Rio Linda Elverta Community Water District
Balance Sheet
 As of March 31, 2019

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10005 · Operating Fund 303,177.17

10010 · Operating Reserve Fund 250,000.00

Total 10000 · Operating Account 553,177.17

10100 · Trust/Security Deposit Account 44,892.00

10450 · Capital Improvement

10455 · Capital Improvement Fee Reserve 1,045,056.41

10460 · Vehicle Replacement Reserve 10,000.00

10465 · Cr6 Project 100,013.58

Total 10450 · Capital Improvement 1,155,069.99

10600 · LAIF GASB 45 16,253.79

Total 100 · Cash & Cash Equivalents 1,769,392.95

102 · Restricted Assets

102.1 · Restricted Capital Improvements

10700 · ZIONS Inv/Surcharge Reserve 499,800.56

Total 102.1 · Restricted Capital Improvements 499,800.56

102.2 · Restricted for Debt Service

10300 · Surcharge 1 Account 654,805.53

10325 · Community Business Bank 41,431.61

10350 · Umpqua Bank 103,017.54

10350 · Surcharge 2 Account 457,144.57

Total 102.2 · Restricted for Debt Service 1,256,399.25

Total 102 · Restricted Assets 1,756,199.81

Total Checking/Savings 3,525,592.76

Accounts Receivable 487.50

Other Current Assets

12000 · Water Utility Receivable 508,986.62

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 2,558.73

15000 · Inventory Asset 95,018.40

16000 · Prepaid Expense 38,340.00

Total Other Current Assets 644,903.75

Total Current Assets 4,170,984.01

Fixed Assets

17000 · General Plant Assets 712,486.63

17100 · Water System Facilites 20,717,058.49

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -8,702,559.39

18000 · Construction in Progress 1,250,105.87

18100 · Land 496,673.45

Total Fixed Assets 14,846,808.47

Other Assets

19000 · Deferred Outflows 347,606.00

19900 · Suspense Account 0.00

Total Other Assets 347,606.00

TOTAL ASSETS 19,365,398.48

Rio Linda Elverta Community Water District
Balance Sheet
As of March 31, 2019

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	42,148.04
Credit Cards	876.21
Other Current Liabilities	644,520.68

Total Current Liabilities	687,544.93
----------------------------------	------------

Long Term Liabilities

23000 · OPEB Liability	262,349.00
23500 · Lease Buy-Back	755,052.27
25000 · Surcharge 1 Loan	4,536,774.26
25050 · Surcharge 2 Loan	105,000.00
26000 · Water Rev Refunding	2,091,606.00
27000 · Community Business Bank	342,485.52
29000 · Net Pension Liability	1,033,555.00
29500 · Deferred Inflows-Pension	33,279.00
29600 · Deferred Inflows-OPEB	8,293.00

Total Long Term Liabilities	9,168,394.05
------------------------------------	--------------

Total Liabilities	9,855,938.98
--------------------------	--------------

Equity

31500 · Invested in Capital Assets, Net	7,519,910.46
32000 · Restricted for Debt Service	699,786.24
38000 · Unrestricted Equity	642,702.76
Net Income	647,060.04

Total Equity	9,509,459.50
---------------------	--------------

TOTAL LIABILITIES & EQUITY	19,365,398.48
---------------------------------------	----------------------

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
 March 2019

	<u>Annual Budget</u>	<u>Mar 19</u>	<u>Jul 18-Mar 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,664,429.00	219,800.99	1,926,453.16	72.30%	737,975.84
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	29.66	361.98	90.50%	38.02
Total 41110 · Investment Revenue	400.00	29.66	361.98	90.50%	38.02
41120 · Property Tax	70,000.00	0.00	50,561.64	72.23%	19,438.36
Total 41000 · Nonoperating Revenue	70,400.00	29.66	50,923.62	72.34%	19,476.38
Total Income	<u>2,734,829.00</u>	<u>219,830.65</u>	<u>1,977,376.78</u>	<u>72.30%</u>	<u>757,452.22</u>
Gross Income	2,734,829.00	219,830.65	1,977,376.78	72.30%	757,452.22
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	165,979.00	22,318.63	116,697.93	70.31%	49,281.07
60100 · Personnel Services					
60110 · Salaries & Wages	663,114.00	52,671.26	460,801.96	69.49%	202,312.04
60150 · Employee Benefits & Expense	408,099.00	34,253.29	299,310.22	73.34%	108,788.78
Total 60100 · Personnel Services	1,071,213.00	86,924.55	760,112.18	70.96%	311,100.82
60200 · Administration	257,595.00	13,087.62	197,472.97	76.66%	60,122.03
64000 · Conservation	6,748.00	0.00	5,733.00	84.96%	1,015.00
65000 · Field Operations	423,809.00	19,159.45	308,425.24	72.78%	115,383.76
Total 60000 · Operating Expenses	1,925,344.00	141,490.25	1,388,441.32	72.11%	536,902.68
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	133,163.00	0.00	53,163.00	39.92%	80,000.00
69110 · Interest	65,726.00	0.00	33,260.30	50.60%	32,465.70
Total 69100 · Revenue Bond	198,889.00	0.00	86,423.30	43.45%	112,465.70
69125 · AMI Meter Loan					
69130 · Principle	46,818.00	0.00	46,818.03	100.00%	-0.03
69135 · Interest	11,696.00	0.00	11,695.89	100.00%	0.11
Total 69125 · AMI Meter Loan	58,514.00	0.00	58,513.92	100.00%	0.08
Total 69010 · Debt Service	257,403.00	0.00	144,937.22	56.31%	112,465.78
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	259,403.00	0.00	144,937.22	55.87%	114,465.78
Total Expense	<u>2,184,747.00</u>	<u>141,490.25</u>	<u>1,533,378.54</u>	<u>70.19%</u>	<u>651,368.46</u>
Net Ordinary Income	<u>550,082.00</u>	<u>78,340.40</u>	<u>443,998.24</u>		
Net Income	<u><u>550,082.00</u></u>	<u><u>78,340.40</u></u>	<u><u>443,998.24</u></u>		

CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2018-2019
July 2018 through March 2019

	GENERAL		CONNECTIONS		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
BEGINNING FUND BALANCE	\$ 1,426,064.00	\$ 1,426,064.00	\$ 129,988.00	\$ 129,988.00	\$ (454,317.00)	\$ (454,317.00)	\$ -	\$ -
FUNDING SOURCES								
Fund Transfers								
Operating Fund Transfers In	550,000.00	411,703.00	-	-	-	-	-	-
CIP Fund Intrafund Transfers	(10,000.00)	(10,000.00)	-	-	-	-	10,000.00	10,000.00
Surcharge 2 Surplus Repayment	-	-	-	-	435,752.00	-	-	-
Contributed Funding								
Capacity Fee Revenue			40,000.00	28,124.02	-	-	-	-
Contributed Facilities (Developers)	-	-	-	-	-	-	-	-
Grant Revenue	-	-	-	-	20,000.00	-	-	-
Loan Proceeds	35,212.00	25,000.00	18,055.00	18,055.00	2,468,239.00	-	30,000.00	-
Investment Revenue	350.00	533.83	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,001,626.00	1,853,300.83	188,043.00	176,167.02	2,469,674.00	(454,317.00)	40,000.00	10,000.00
PROJECTS								
A - WATER SUPPLY								
A-1 · Well 10 - Cr6 Treatment	-	-	-	-	40,000.00	-	-	-
A-2 · Well 16	-	-	-	-	2,448,239.00	13,378.80	-	-
A-3 · Well 17	28,000.00	-	-	-	-	-	-	-
A-4 · Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-	-	-
Total A - WATER SUPPLY	68,000.00	-	-	-	2,488,239.00	13,378.80	-	-
B - WATER DISTRIBUTION								
B-1 · System Valve Replacements	30,000.00	-	-	-	-	-	-	-
B-2 · Paving Replacements	25,000.00	-	-	-	-	-	-	-
B-3 · Service Replacements	35,000.00	29,609.50	-	-	-	-	-	-
B-4 · Large Meter Replacements	5,000.00	-	-	-	-	-	-	-
Total B - WATER DISTRIBUTION	95,000.00	29,609.50	-	-	-	-	-	-
M - GENERAL PLANT ASSETS								
M-1 · Ice Machine	2,804.00	2,803.96	-	-	-	-	-	-
M-2 · Billing Software Upgrade	25,000.00	25,000.00	18,055.00	16,835.00	-	-	-	-
M-3 · Office Furniture & Equipment	10,212.00	-	-	-	-	-	-	-
M-4 · Truck	-	-	-	-	-	-	30,000.00	-
Total M - GENERAL PLANT ASSETS	38,016.00	27,803.96	18,055.00	16,835.00	-	-	30,000.00	-
C - CONTINGENCY								
C-1 · Contingency (10% of Est A,B,M, & FO)	20,101.60	-	1,805.50	-	248,823.90	-	3,000.00	-
TOTAL BUDGETED PROJECT EXPENDITURES	221,117.60	57,413.46	19,860.50	16,835.00	2,737,062.90	13,378.80	33,000.00	-
ENDING FUND BALANCE	\$ 1,780,508.40	\$ 1,795,887.37	\$ 168,182.50	\$ 159,332.02	\$ (267,388.90)	\$ (467,695.80)	\$ 7,000.00	\$ 10,000.00

**Rio Linda Elverta Community Water District
Surcharge 1 Profit & Loss Budget Performance
March 2019**

	<u>Annual Budget</u>	<u>Mar 19</u>	<u>Jul-Mar 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	386.18	1,016.31	100.0%	-1,016.31
41112 · Interest Revenue	8,000.00	2,267.71	6,851.94	85.65%	1,148.06
41113 · Market Value Adjustment	0.00	2,352.64	3,103.69	100.0%	-3,103.69
	<u>8,000.00</u>	<u>5,006.53</u>	<u>10,971.94</u>	<u>137.15%</u>	<u>-2,971.94</u>
43010 · Surcharge 1 Revenue	523,374.00	174,834.25	377,749.25	72.18%	145,624.75
Total Income	<u>531,374.00</u>	<u>179,840.78</u>	<u>388,721.19</u>	<u>73.15%</u>	<u>142,652.81</u>
Gross Income	531,374.00	179,840.78	388,721.19	73.15%	142,652.81
Expense					
69150 · Surcharge (SRF)					
69155 · Principle	342,540.00	170,176.52	170,176.52	49.68%	172,363.48
69160 · Interest	118,814.00	60,500.80	60,500.80	50.92%	58,313.20
69170 · Admin Fees	2,210.00	493.81	1,569.72	71.03%	640.28
Total 69150 · Surcharge (SRF)	<u>463,564.00</u>	<u>231,171.13</u>	<u>232,247.04</u>	<u>50.1%</u>	<u>231,316.96</u>
Total Expense	<u>463,564.00</u>	<u>231,171.13</u>	<u>232,247.04</u>		
Net Income	<u><u>67,810.00</u></u>	<u><u>-51,330.35</u></u>	<u><u>156,474.15</u></u>		

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

	<u>Annual Budget</u>	<u>Mar 19</u>	<u>Jul-Mar 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	20.00	36.74	84.63	423.15%	-64.63
	<u>20.00</u>	<u>36.74</u>	<u>84.63</u>	<u>423.15%</u>	<u>-64.63</u>
43050 · Surcharge 2 Revenue	439,019.00	145,420.52	302,630.63	68.93%	136,388.37
Total Income	<u>439,039.00</u>	<u>145,457.26</u>	<u>302,715.26</u>	<u>68.95%</u>	<u>136,323.74</u>
Gross Income	439,039.00	145,457.26	302,715.26	68.95%	136,323.74
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	195,000.00	105,000.00	195,000.00	100.0%	0.00
69185 · Interest	136,038.00	302.12	2,158.20	1.59%	133,879.80
Total 69175 · Surcharge 2 Loan	<u>331,038.00</u>	<u>105,302.12</u>	<u>197,158.20</u>	<u>59.56%</u>	<u>133,879.80</u>
Total Expense	<u>331,038.00</u>	<u>105,302.12</u>	<u>197,158.20</u>		
Net Income	<u><u>108,001.00</u></u>	<u><u>40,155.14</u></u>	<u><u>105,557.06</u></u>		



Items for Discussion and Action

Agenda Item: 4.1

Date: April 15, 2019

Subject: RWA Withdrawal Contemplation

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed at either standing committee. This item was last discussed at the March 18th Board meeting and the item was directed to be placed on the April 15th agenda to enable Board interaction with the Regional Water Authority (RWA) and Sacramento Groundwater Authority (SGA) Interim Executive Officer, Rob Swartz (now confirmed for attending the 4-15-2019 meeting).

Current Background and Justification:

Although RWA membership costs, benefits, and long-term consequences are all relevant considerations, the impetus for initiating discussion on discontinuing RWA membership was at least equally based on the continued divergence between RWA values/visions and RLECWD values/visions. Mitigating the divergence on values/visions can be achieved via more subtle methods than withdrawal, especially when compared to the more definitive issues described below. Diverging values/visions could and should be addressed via improved (both quantity and quality) communication between RWA/SGA and RLECWD.

The District formed an ad hoc committee, which met and began discussions by reviewing the basic underlying principles for RWA membership. Among these principles is the premise; if RLECWD intends to continue efforts to diversify its water supply portfolio to include surface water, RLECWD needs help to achieve this objective. RLECWD is best served by forming partnerships with entities who have the most in common and the most to gain in RLECWD obtaining its objective. RLECWD has also learned, with its limited resources, it cannot pursue every potential pathway that might (emphasis added) result in surface water someday. We must focus our efforts and limited resources on only those with the highest potential for crossing the finish line. Lastly, establishing how we're going to do something is at least as important as establishing what we're going to do.

Appropriately, part of the Board's and Ad Hoc Committee's prior discussions has entailed the more obvious and definitive consequences, both good and bad, for withdrawing from RWA. For example, how much would RLECWD have to pay for unfunded RWA employee pension liability within 90-days of withdrawal, and how long would it take to payoff using the annual membership fee? What would happen to the Dept. of Water Resources grant via RWA currently budgeted to help fund the Well #10 project? Does withdrawing from RWA affect, directly or indirectly, RLECWD's continued participation in SGA?

Recently, as discussed at the last several Planning Committees, RWA Water Bank Phase 1 participation has emerged as another tangible opportunity and another consequence to continuing vs. discontinuing RWA membership. Although one could assert that RLECWD does not benefit as much from regional water reliability if RLECWD ends up, for whichever combination of reasons, remaining a groundwater only agency. However, if water bank infrastructure receives funding from other agencies, grants, and/or other entities outside our region, water bank infrastructure could also serve the RLECWD ratepayers and enable new residential development via enabling compliance with PF-8 restrictions.

Conclusion:

I recommend the Board take advantage of the opportunity to engage Rob Swartz in important dialog at this (4-15-2019) meeting. Ask for Rob's insights into potential benefits for continuing RWA membership. Ask Rob about PF-8 and the current understanding relative to RLECWD, RWA / SGA and the Elverta Specific Plan. Then, if the Board's collective concerns are sufficiently addressed, provide direction as appropriate, no action is necessary to continue RLECWD membership in RWA. Conversely, if the Board desires to initiate RWA withdrawal, take action to do so.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 4.1

Date

Initial Potential Meeting Date

4/15/19

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

RWA Withdrawal Contemplation

N/A

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4 /15/19



Items for Discussion and Action

Agenda Item: 4.1.a

Date: April 15, 2019

Subject: RWA Water Bank Phase 1 Participation

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed at either of the April standing committees. This item was discussed at the March 18th Board meeting, and this item was directed to be placed on the April 15th agenda to allow the Board to benefit from the planned attendance of the Regional Water Authority (RWA) Interim Executive Officer, Rob Swartz.

Current Background and Justification:

This item is unnecessary and inappropriate if the Board took action or may soon take action to withdraw from RWA as described in item 4.1 on the April 15th agenda.

The Regional Water Authority (RWA) Regional Water Reliability Plan has centered around conjunctive use since inception. The manifestation of conjunctive use is the Water Bank. A key element of the Water Bank is to secure funding from both inside (participants) and outside of the region. A form of funding would be purchasing of banked water during dry years. Additionally, there may be funding from grants and potential water purchasers outside the region to construct the infrastructure, e.g. interties and transmission lines if the District pursues this opportunity to its fruition.

The first phase is relatively low cost. The calculated RLECWD share is \$4000, with a not to exceed (contingency for if some agencies drop out) of \$4,800. Participation in phase one does not obligate the District to participate in phase two, which is expected to cost substantially more. The District has funding at the level described for phase 1. The District does not have funding for participation at the levels anticipated for need in subsequent phases. Accordingly, there is potential for outcomes and consequences similar to those the District experienced with RiverArc and other endeavors offering to deliver surface water and/or conjunctive use.

I've been attending Regional Water Reliability meetings and been involved in Water Bank discussions since I was appointed to the GM office. Nothing I've seen or heard suggest participation will increase our drinking water capacity. This is not, in and of itself, a solution to the PF-8 requirement, "no net increase in groundwater pumping". However, it might (no guarantee) fund or partially fund infrastructure (pipes and interties) for water banking that will also serve as infrastructure for supplementing our water capacity via long-term contracts with surface water suppliers.

Obviously, we are currently contemplating RWA withdrawal. Certainly, if we withdraw from RWA then the decision to participate in this water bank group is rendered moot. However, these two District decisions, continuing RWA participation and funding Water Bank phase 1 are not necessarily on synchronized timelines. The Water Bank decision needs to happen now. The District decision to continue participating in RWA is indefinite, and even if the District decides to stay in RWA, it won't eliminate reconsideration in the future. Conversely, deciding to commit to participating in the Water Bank now, may create an impeding influence on a future decision to withdraw from RWA.

The draft version of the Water Bank Phase 1 participation agreement was revised after the March 18th RLECWD Board meeting to provide additional clarifications/stipulations requested by one of the participating agencies.

Conclusion:

There is no obvious winning recommendation here and no crystal ball telling the District what might happen to inspire a would-have, should-have regret later. The policy makers need to decide whether they are okay with remaining a 4,700 connection, groundwater only agency, or they are willing to invest in the chance for a solution to the PF-8 prohibition. IF the later, then I recommend the District approve the Water Bank Phase 1 Agreement. I further recommend the Board stipulate funding is to come from capacity fees (we have enough for phase 1). I recommend we convey our funding limitations to RWA and the Water Bank Phase 1 participants, e.g. a cover letter to disclose our funding limitations.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____ Paul Green:_____ Ridilla:_____ Harris:_____ Jason Green_____.

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

RLECWD Agenda Item Checklist

Item 4.1.a

Date

Initial Potential Meeting Date

4/15/19

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

RWA Water Bank Phase 1 Participation

N/A

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

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

3-18-19 *JH*

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4 /15/19

**REGIONAL WATER AUTHORITY
PROJECT AGREEMENT**

SACRAMENTO REGIONAL WATER BANK, PHASE 1

This Agreement is made and entered into as of the 15th day of April, 2019, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in Exhibit 1 to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

RECITALS

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, and as was amended on October 8, 2013, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities,

obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

1. Recitals Incorporated. The foregoing recitals are hereby incorporated by reference.

2. Defined Terms. Terms defined in the RWA JPA will have the same meaning in this Agreement.

3. Description of the Project. The project (“Project”) that RWA and the Participants desire to carry out is the development of the first phase of activities required to establish the Sacramento Regional Water Bank (“Water Bank”). The Water Bank will be a sustainable groundwater storage and recovery program intended to increase conjunctive use capacity and operations in the region to improve the long-term reliability of water supplies. The Water Bank will include an accounting system of storage and recovery with a monitoring program to ensure long-term groundwater basin sustainability. Phase 1 consists of work that is primarily associated with pre-feasibility activities. The Phase 2 scope of work and budget will be further developed during Phase 1 activities and will be focused on final feasibility determinations, including environmental analysis. Near the completion of Phase 1, the Participants will decide upon commencing with Phase 2. The completion of Phase 2 is expected to result in an operational Water Bank, with a target completion by January 2022. Phase 2 would be subject to approval of a separate Project Agreement. A scope of work for Phase 1 is attached hereto as Exhibit 2 (“Project Description”).

4. Project Committee. The Participants hereby form a Project Committee consisting of one representative (and alternates) designated by each Participant. The Project Committee will meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. A majority of the total members of the Project Committee will constitute a quorum. To proceed with a vote to take action, a quorum must be present at a meeting, with a majority of the number present required for an affirmative vote. Each member of the Project Committee will have one vote, either by its representative or an alternate. Where a vote to take action will occur, notice of at least seven days shall be provided to all Project Committee members so that they may have a reasonable opportunity to participate in the consideration of the action item.

5. Sharing in Project Costs and Benefits. The total estimated cost to complete the Water Bank, Phase 1 Project is estimated at \$500,000. A not-to-exceed estimate of \$600,000 was established to account for the possibility that not all proposed agencies will participate. The not-to-exceed fee includes an additional 20 percent of the planned Phase 1 fee. Other than to fund the

shortage of the planned Phase 1 fee, the not-to-exceed fee shall not be assessed or used for any other purpose, including as a contingency for unanticipated expenses, without prior approval of the Project Committee. The assessments and not-to exceed budgets for each Participant are further described and attached hereto as Exhibit 3 (“Financing Plan”). Each of the Participants will make one or more payments to RWA for completion of the Project. Participants shall have full access to the work products of the Project.

At the conclusion of the Project, the Project Committee will take action on the dispensation of any remaining funds, which may include designating funds to the Regional Water Bank, Phase 2 effort. If the Project Committee elects to return the surplus funds to the Participants, RWA will pay back such funds to the Participants on a pro rata basis reflecting the amount of the payments made by each of the Participants. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed this Agreement.

6. Role of RWA. The RWA will (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, (d) secure consultant support services through a competitive selection process as identified in RWA Policy 300.2, where applicable; and e) manage consultant support services in completion of the Project.

7. Authorization to Proceed with the Project. The Project is authorized to proceed upon the commitment of \$250,000 from Project Participants to fund initial Project costs. Upon execution of this Agreement, the Participants agree to fund their portion of the Project costs in an amount and manner as described in Exhibit 3 (“Financing Plan”) to this Agreement.

8. Term. This Agreement will remain in effect for so long as any obligations under this Agreement and/or obligations from other sources of funding secured for completing the Project remain outstanding.

9. Withdrawal. A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days’ notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any indebtedness incurred by the Participant under this Agreement prior to the effective date of withdrawal. If any surplus funds remain after the withdrawing Participant has met all of its financial obligations under this Agreement, then such funds will be returned to the withdrawing Participant in proportion to the total contribution made by each Participant.

10. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

11. Privileges and Immunities. All of the privileges and immunities from liability; exemptions from laws, ordinances and rules; and all pension, relief, disability, worker's compensation and other benefits that apply to the activity of officers, agents or employees of RWA or the Participants when performing their respective functions for those agencies will, to the extent permitted by law, apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. It is further understood and agreed by RWA and the Participants that, notwithstanding anything contained herein, the employees of RWA and of each Participant shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

12. No Third Party Beneficiary. RWA and the Participants understand and agree that this Agreement creates rights and obligations solely between RWA and the Participants and is not intended to benefit any other party. No provision of this Agreement shall in any way inure to the benefit of any third person so as to constitute any such third person as a third-party beneficiary of this Agreement or any of its items of conditions, or otherwise give rise to any cause of action in any person not a party hereto.

13. Liabilities. With respect to this Agreement, RWA and the Participants expressly agree that the debts, liabilities and obligations of RWA and of each Participant shall remain the debts, liabilities and obligations of that party alone and shall not be the debts, liabilities and obligations of any other party to this Agreement, except as may be otherwise set forth herein or in an amendment to this Agreement.

14. Audits and Accounting. All funds provided under this Agreement shall be separately accounted for and maintained, with books and records of such funding open to inspection by the Participants. Funding under this Agreement shall be subject to and consistent with the audit and accounting procedures set forth in Articles 27 and 28 of the RWA JPA.

15. General Provisions. Any notice to be given under this Agreement shall be made by: (a) depositing in any United States Post Office, postage prepaid, and shall be deemed received at the expiration of 72 hours after its deposit; (b) transmission by facsimile copy; (c) transmission by electronic mail; or (d) personal delivery. This Agreement shall be governed by the laws of the State of California. The contact information for each Participant with respect to this section of the Agreement is set forth in Exhibit 4 ("Notice Information"). This Agreement may be executed by the parties in counterpart, each of which when executed and delivered shall be an original and all of which together will constitute one and the same document.

16. Signatories' Authority. The signatories to this Agreement represent that they have authority to execute this Agreement and to bind the Participant on whose behalf they execute it.

The foregoing Sacramento Regional Water Bank, Phase 1 Project Agreement is hereby agreed to by RWA and the Participants.

Dated: _____, 2019

_____, 2019

Signature

Signature

Name

Timothy R. Shaw, General Manager

Regional Water Authority

Rio Linda/Elverta Community Water District

List of Agreement Exhibits

Exhibit 1 – Project Participants

Exhibit 2 – Project Description

Exhibit 3 – Financing Plan

Exhibit 4 – Notice Information

EXHIBIT 1

PROJECT PARTICIPANTS

REGIONAL WATER AUTHORITY

SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT

Agency (Proposed)

California American Water
Carmichael Water District
Citrus Heights Water District
City of Folsom
City of Lincoln
City of Roseville
City of Sacramento
Del Paso Manor Water District
El Dorado County Water Agency
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Golden State Water Company
Orange Vale Water Company
Placer County
Placer County Water Agency
Rio Linda/Elverta Community Water District
Sacramento County Water Agency
Sacramento Regional County Sanitation District
Sacramento Suburban Water District
San Juan Water District

EXHIBIT 2**PROJECT DESCRIPTION****REGIONAL WATER AUTHORITY****SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT**

The Sacramento Regional Water Bank Project is being implemented in two distinct phases. Phase 1 consists of work that is still primarily associated with pre-feasibility activities. The Phase 2 scope of work and budget will be further developed during Phase 1 activities and will be focused on final feasibility determinations including environmental analysis. The Phase 1 scope of work is described below in four primary tasks.

SCOPE OF WORK

The following tasks describe the overall work activities expected for the Sacramento Regional Water Bank (“Water Bank”) Project, Phase 1. More detailed scopes of work and deliverables would be specified upon the issuance of task orders to authorize the work.

Task 1: Support Water Bank Project Committee Meetings

Support up to nine Water Bank Project Committee meetings during Phase 1 implementation. All meetings are assumed to be in-person. Up to the currently budgeted amount, this task will include the following:

- Develop supporting meeting materials (as appropriate)
- Conduct meetings
- Develop meeting summaries
- Development of template staff reports

Up to three template staff reports on the Water Bank will be prepared for Project Committee participants to utilize with their respective organizations. Staff reports are anticipated to be needed at the onset of Phase 1, during Phase 1 as an update on progress, and at the end of Phase 1 as a recap of accomplishments and preview of next steps. Staff reports will be prepared at the direction of RWA.

Deliverables:

- Meeting materials (as appropriate) – electronic and hard copies
- Template staff reports – up to three; three pages in length; draft, final (both in MSWord)

Task 2: Facilitate Water Bank Communications Working Group

Support and facilitate up to six Water Bank Communications Working Group (“Comms WG”) meetings during Phase I implementation. The meetings will be a combination of in-person and through online meeting services (via services such as GoToMeeting). Up to the currently budgeted amount, this task will include the following:

- Develop supporting meeting materials (as appropriate)
- Facilitate meetings
- Develop meeting summaries

Deliverables:

- Meeting materials (as appropriate) – electronic and hard copies

Task 3: Develop Water Bank Outreach Materials

Support development of branding and outreach materials as part of Phase I implementation of the Water Bank Communications Strategy. Up to the currently budgeted amount, this task will include the following:

- Water Bank key messages – Support the Comms WG with development of Water Bank key messages. These messages are the main points that audiences should know about the Water Bank and will be used throughout all communications platforms and activities to maintain consistent messaging.
- Water Bank one-page fact sheets/inserts – Support the Comms WG with development and production of an initial set of stand-alone one-page (back and front) fact sheets/inserts related to the Water Bank. These fact sheets/inserts are intended to address key issues, benefits, and technical topics associated with the Water Bank and are intended to be for public distribution. Prior to development of fact sheets/inserts, support the Comms WG with determination of the initial list of topics to be covered and sequencing during Phase I.

Deliverables:

- Water Bank key messages – draft, revised draft, final (all in MSWord)
- Water Bank one-page fact sheets/inserts – up to eight fact sheets/inserts; draft, revised draft, final of each insert (draft in MSWord, revised draft and final in InDesign); production of 100 copies of each insert

Task 4: Integrated Water Flow Model Development

- Develop a comprehensive model, using the California Department of Water Resources (“DWR”) Integrated Water Flow Model (“IWF-2015”) Code for the South American

Subbasin of Sacramento Valley Groundwater Basin. Note that the North American Subbasin is already funded through another source.

- Develop a new finite element grid network and populate the model with existing time series and spatial input data files including data from the Sacramento Area Integrated Water Resources Model (“SacIWRM”), California Central Valley Groundwater-Surface Water Simulation Model – fine finite element grid (“C2VSim-FG”), and Sacramento Valley Groundwater-Surface Water Simulation Model (“SVSim”) applications.
- Calibrate the model using manual methods and refine using automated calibration with PEST (model-independent parameter estimator) software. Perform sensitivity analysis and refine model parameters, as needed.
- Develop baseline models for existing and future conditions within the model area.
- Run up to four model scenarios to determine the storage, storage losses, and local and regional groundwater elevation changes associated with water bank operations in both the North American and South American subbasins. Scenarios will include simulations of water bank operations in the urban distribution systems as well as proposed operations associated with the Sacramento Regional County Sanitation District’s (“Regional San’s”) South County Ag Program.

Deliverables:

- Complete populated and calibrated model files on IWFM-2015 platform
- Model files for baseline conditions, current conditions, future conditions, and scenarios.
- Report documenting model development, calibration, model scenarios and results, and changes made based on stakeholder input.

Estimated Budget by Task

Task 1. Project Committee Support	\$41,000
Task 2. Communications Work Group Support	\$17,000
Task 3. Outreach Materials Development	\$75,000
Task 4. Integrated Water Flow Model Development	\$367,000
Not-to-Exceed Total	\$500,000

EXHIBIT 3**FINANCING PLAN****REGIONAL WATER AUTHORITY****SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT**

In developing the proposed fees for each agency, factors such as agency size and the likelihood and level of participation in a future bank were considered. One of the most significant considerations is whether the agency is also located within the South American Subbasin. This is because agencies in the North American Subbasin are funding much of the cost for the update of that portion of the model through a separate effort. A not-to-exceed fee was established to account for the possibility that not all proposed agencies will participate and to allow for a contingency in the event of unanticipated expenses. The not-to-exceed fee includes an additional 20 percent of the planned Phase 1 fee for each agency.

Proposed Fee Table

Agency	Planned Phase 1 Fee (1)	Not-to-Exceed Fee
California American Water (2)	\$ 50,000	\$ 60,000
Carmichael Water District	\$ 10,000	\$ 12,000
Citrus Heights Water District	\$ 20,000	\$ 24,000
City of Folsom (2)	\$ 30,000	\$ 36,000
City of Lincoln	\$ 15,000	\$ 18,000
City of Roseville	\$ 30,000	\$ 36,000
City of Sacramento (2)	\$ 60,000	\$ 72,000
Del Paso Manor Water District	\$ 3,000	\$ 3,600
El Dorado County Water Agency	\$ 10,000	\$ 12,000
El Dorado Irrigation District	\$ 10,000	\$ 12,000
Elk Grove Water District (2)	\$ 15,000	\$ 18,000
Fair Oaks Water District	\$ 20,000	\$ 24,000
Golden State Water Company (2)	\$ 20,000	\$ 24,000
Orange Vale Water Company	\$ 3,000	\$ 3,600
Placer County	\$ 3,000	\$ 3,600
Placer County Water Agency	\$ 30,000	\$ 36,000
Rio Linda/Elverta Community Water District	\$ 4,000	\$ 4,800
Sacramento County Water Agency (2)	\$ 60,000	\$ 72,000
Sacramento Regional County Sanitation District (2)	\$ 50,000	\$ 60,000
Sacramento Suburban Water District	\$ 35,000	\$ 42,000
San Juan Water District	\$ 25,000	\$ 30,000

Notes to Proposed Fee Table

- (1) If every proposed agency participates in the Project, the fees collected would be \$503,000. Any surplus funds at the end of the Project will be dispensed in the manner described in Section 17 of this Project Agreement.
- (2) Agency in South American Subbasin.

At the outset of the study, the intent is to collect funding for \$500,000 of work described in Exhibit 2. In the event an agency is unable to participate, the remaining agencies will cover the unfunded amount to reach the \$500,000 funding level on a prorated basis of their original fee up to their not-to-exceed amount. Other than to fund any shortage of the \$500,000 planned Phase 1 fees, the not-to-exceed fee shall not be assessed or used for any other purpose, including as a contingency for unanticipated expenses, without prior approval of the Project Committee.

EXHIBIT 4 [CONTACT INFO TO BE ADDED BELOW UPON CONFIRMATION OF PARTICIPANTS]

NOTICE INFORMATION

REGIONAL WATER AUTHORITY

SACRAMENTO REGIONAL WATER BANK, PHASE 1 PROJECT

California American Water

City of Roseville

Carmichael Water District

City of Sacramento

Citrus Heights Water District

Del Paso Manor Water District

City of Folsom

El Dorado County Water Agency

City of Lincoln

El Dorado Irrigation District

Elk Grove Water District

Rio Linda/Elverta Community Water District

Fair Oaks Water District

Sacramento County Water Agency

Golden State Water Company

Sacramento Regional County Sanitation District

Orange Vale Water Company

Sacramento Suburban Water District

Placer County

San Juan Water District
Attn: Greg Zlotnick
P.O. Box 2157
Granite Bay, CA 95746
Phone: (916) 791-6933
Fax: (916) 791-6983
Email: gzlotnick@sjwd.org

Placer County Water Agency
Attn: Brian Rickards
144 Ferguson Road
Auburn, CA 95603
Phone: (530) 823-4845
Email: brickards@pcwa.net

Regional Water Authority
Attn: Rob Swartz
5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610
Phone: (916) 967-7692
Fax: (916) 967-7322
Email: rswartz@rwah2o.org



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

Date: April 15, 2019

Subject: General Manager's Report

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

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

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 4.2

Date

Initial Potential Meeting Date

4/15/19

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

GM Report

4/12/19

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4 /15/19



Date: April 15, 2019

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: Following the Board's direction to Labor Negotiators, we met with Teamster Local 150, which lead to additional meetings among and between the parties. Teamsters have requested a list of all items for which Tentative Agreement (T/A) has been achieved. Ms. Vierra has been working on the District's response, which we hope will soon lead to a draft MOU for the Board's consideration. We are processing the recording of the Well #16 parcel quite deliberately in hopes of attaining institutional knowledge on the correct steps and sequence for acquiring real property. We hope to avoid the mistakes of the acquisition of property associated with the L Street reservoir.

On a personal note: I sent the Board Members my sincere gratitude and appreciation for the beautiful flowers we received at my father-in-law's funeral. My family was remarkably touched by the sentiment and sensitivity shown to them by RLECWD. I know that my mother-in-law sent the District a thankyou card (addressed to the Board President), but I too thank the Board and staff for their support.

1. On March 21st, I met with Legal Counsels and Dan York of Sacramento Suburban to discuss existing litigation. Attorneys outnumber clients 2:1.
2. On March 26th, I attended SDRMA Spring Education Day with Directors Harris and Ridilla. I particularly learned from the sessions on new labor laws and cases and the worker's comp sessions. The general session included basis for the across the board increases in insurance premium **everybody** is now experiencing.
3. On March 27th Deborah Denning and I met with the Zions Bank Fiscal Agent for the SRF loan reserve account. The meeting was key in confirming the need for finance policies revision and confirming the appropriate content for the policies
4. On April 1st, Renita, Kim, Deborah, Sara and I all participated in webinar training via CA Bank and Trust for the ACH payment method.
5. On April 2nd, Debra Vierra and I met with Teamsters Local 150 to provide the General Unit with a counter proposal. Debra and I provided a candid explanation of the degree to which

the District is striving for an agreement. Debra and I answered the Unit's questions and listened to their concerns.

6. On April 5th, I met with the District Engineer in advance of the monthly Planning Committee to affirm objectives and steps to get the District to where it needs to be.
7. On April 10th I took a day off work (mostly) to address (partially) a backlog of family matters I've been neglecting due to the volume of time I expend for the District.
8. On April 12th, I participated in a CSDA webinar training on Resource for General Managers.

Other initiatives in progress are:

I spent a considerable amount of time, mostly through phone calls and emails, completing a small-scope professional services agreement et al for our new digital office phone system. In all, we considered quotes from five separate service providers. Two were from hosted Voice Over Internet Protocol (VOIP). Three were from non-hosted VOIP providers. Among the three non-hosted providers, Wired and Wireless from West Sacramento was chosen to be the best overall fit for the District's office phone system needs.

With the Virtual Private Network (VPN) and firewall configured to allow Tesco and Inductive Automation remote access (thanks to Adept Solutions), we are scheduled to resolve the SCADA historian issue next week via site visit from Tesco and Inductive.

The District received almost \$5,000 via auction of the surplus Ford Ranger and F-150. The District is saving more than \$200/month from the switch to Verizon wireless government account for our cell phones. We are saving the District ratepayers approximately \$0.40 per gallon on fuel (about \$0.20 on price and \$0.19 on Federal Excise Tax compared to the methods in place when I arrive. With the average purchase of 400 gallons of fuel per month, we're saving around \$2,000 per year.

Based on confirming discussion with Pat, we're dropping our American Water Works Association (AWWA) membership, i.e. declining renewal. The cost/benefit analysis does not support renewal.



Items for Discussion and Action

Agenda Item: 4.3

Date: April 15, 2019

Subject: District Engineer's Report

Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

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

Conclusion:

There is no Board action anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Paul Green: _____ Ridilla: _____ Harris: _____ Jason Green _____.

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

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date

4/15/19

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

District Engineers Report

4/12/19

Staff Work Completed

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

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4 /15/19

12 April 2019

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 15 April 2019 Board of Directors Meeting (EKI Project No. B800130.00)**

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

1. General District Engineering:

- Prepared a District Engineer's Report for and attended the District Board of Directors Meeting on 3/18/2019.
- Prepared a District Engineer's Report for and attended the District Planning Committee Meeting on 4/5/2019.
- Met with the General Manager on 4/5/2019 and had several phone calls with the General Manager to discuss ongoing District Engineering assignments and responsibilities.
- Reviewed the District's current version of "front end specifications" that are included in the contract documents for construction projects. The current version is outdated. Will work with the General Manager to determine appropriate action moving forward where "front end specifications" will be required for capital improvement projects that will be publicly bid.
- Reviewed the District's Capital Improvement Project list and prepared a preliminary project list based on previously discussed projects included in the 2018/2019 fiscal year District Operating and Capital Budget. Shared this list with the Planning Committee and received direction to coordinate project selection and prioritization with the Operations Superintendent. This task will be completed this month.
- Continued to review work products and other deliverables provided by the previous District Engineer as needed.

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

- Reviewed kick-off meeting minutes prepared by Domenichelli & Associates.
- Reviewed borehole locations presented by Domenichelli & Associates for geotechnical investigation purposes.

Formerly known as Eler & Kalinowski, Inc.

- Coordinated with the General Manager, District Staff, District Counsel, Domenichelli & Associates, and the County of Sacramento land surveying department to determine the formal legal and land surveying process required for the District to obtain in fee the property described in the Irrevocable Offer of Dedication prepared for the Well 16 land acquisition. A vetting process was conducted to determine whether a lot line adjustment (or other process) would be required. Since the District is exempt from the Subdivision Map Act, recording the Irrevocable Offer of Dedication is sufficient for the District to own the Well 16 property in fee. A Conditions of Title Report (formally known as a Preliminary Title Report) was reviewed by District Counsel, resulting in no issues with title and no encumbrances to be removed.
- Worked with the Operations Superintendent to register for a California Department of Industrial Relations number specific for this project, as required by the California Labor Code (Section 1774). Provided the Operations Superintendent with project-specific information to include in the registration module.
- The design for the Well 16 Pumping Station being prepared by Domenichelli & Associates remains on schedule and within budget. The project schedule is attached to this report.

3. Well 10 Hexavalent Chromium Treatment Project:

- An updated quarterly report with project schedule and budget for the period of 12/1/2018 to 2/28/2019 was prepared and submitted to the Regional Water Authority on 3/18/2019.

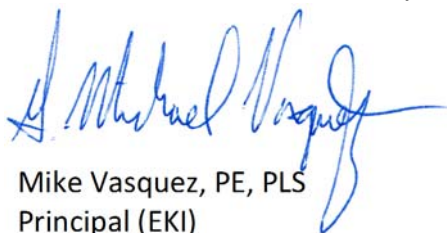
4. Development Plan Review:

- No development reviews were performed during this period.

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

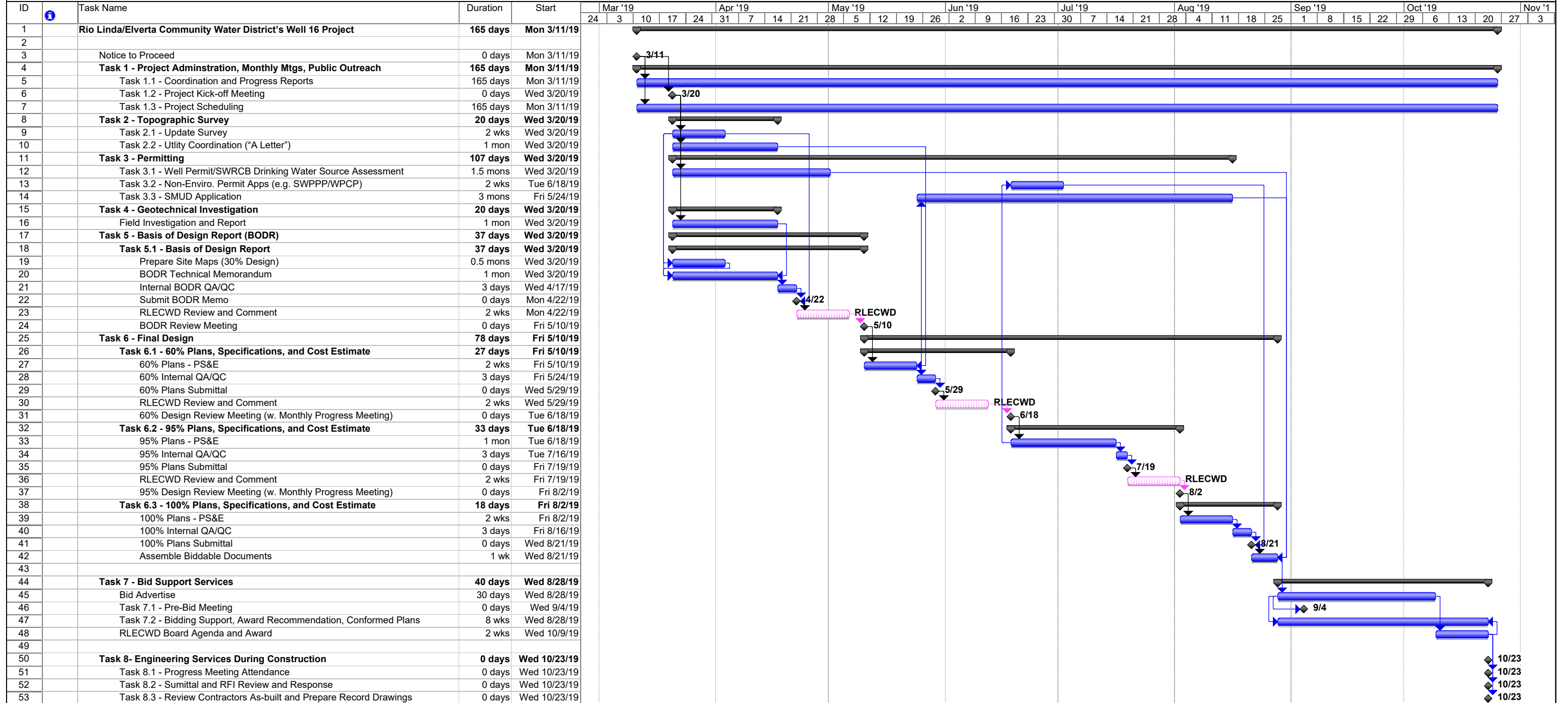
Very truly yours,

EKI ENVIRONMENT & WATER, INC.

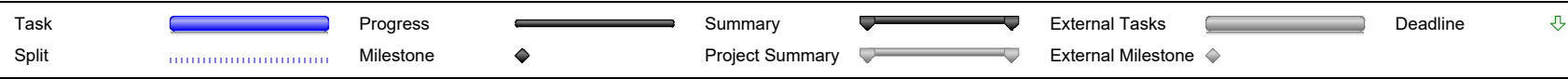


Mike Vasquez, PE, PLS
Principal (EKI)
District Engineer (RL/ECWD)

Design, Bid Support, and Engineering Support During Construction for Equipping of Rio Linda/Elverta Community Water District's Well 16
 Design Schedule
 February 1, 2019



Project: Design Schedule - Draft
 Date: Thu 1/31/19



RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

4/15/19

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

Capacity Fee Agreement with Twin Rivers Unified School District

4/02/19

Staff Work Completed

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

Committee Review of Item and Staff Work

4/05/19

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc
Committees, to prepare board recommendations

Formal Legal Counsel Review

03/28/19

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

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4 /15/19

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
AND TWIN RIVERS UNIFIED SCHOOL DISTRICT**

CAPITAL FACILITIES FEE AGREEMENT

This Capital Facilities Fee Agreement (the "Agreement"), dated as of the 15th day of April, 2019, by and between Rio Linda Elverta Community Water District, a public agency (hereinafter "RLECWD") and the Twin Rivers Unified School District, a public school district (hereinafter "SCHOOL DISTRICT").

RECITALS

WHEREAS, SCHOOL DISTRICT has requested a new water service connection from RLECWD ("Water Service") to serve Westside Elementary School located at 6537 West 2nd Street, Rio Linda, CA 95673 (the "Property"); and

WHEREAS, the provision of the Water Service at the Property requires the payment of capital facilities fees for the use of conveyance and treatment in existing RLECWD facilities; and

WHEREAS, pursuant to Government Code Section 54999.3(b), such fees may be imposed only after an agreement has been reached through negotiations between RLECWD and SCHOOL DISTRICT; and

WHEREAS, RLECWD and SCHOOL DISTRICT have conducted negotiations with respect to such capital facilities fees upon which the terms of this Agreement have been reached;

NOW, THEREFORE, RLECWD and SCHOOL DISTRICT mutually agree as follows:

1. RLECWD hereby certifies that the capital facilities fees that the SCHOOL DISTRICT is required to pay to RLECWD as a condition of obtaining Water Service is non-discriminatory, is required to pay the capital cost of RLECWD's facilities, and that such payment from SCHOOL DISTRICT is necessary to recover RLECWD's cost of constructing the facilities necessary to serve the property.
2. RLECWD and SCHOOL DISTRICT mutually agree that the capital facilities fee payable to RLECWD for the Water Service shall be in the amount of \$45,313.64, and that such fees shall be paid by SCHOOL DISTRICT to RLECWD as a condition of receiving "Water Service" for the property.

See attached exhibits:

Exhibit A – 2 Inch Water Service Capacity Fee and

Exhibit B – Rio Linda/Elverta Community Water District Estimate 1 dated 2/15/2019

IN WITNESS WHEREOF, RLECWD and SCHOOL DISTRICT have executed this Agreement as of the day and year first above written.

SCHOOL DISTRICT:

TWIN RIVERS UNIFIED SCHOOL DISTRICT

By: _____

PERRY HERRERA

Director-Facilities, Construction & Engineering

RLECWD:

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT A

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT AND TWIN RIVERS UNIFIED SCHOOL DISTRICT

Facilities Fee Agreement

2 INCH WATER SERVICE CAPACITY FEE

METER SIZE	CAPITAL FACILITIES FEE
2"	\$45,313.64

The CAPITAL FACILITIES FEE AGREEMENT is for the 2" Water Service Capacity Fee and does not include the cost of material, labor or equipment for the water service installation by RLECWD from the water main to the back of the sidewalk at subject property.

EXHIBIT B

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT AND TWIN RIVERS UNIFIED SCHOOL DISTRICT
Facilities Fee Agreement**



**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**

730 L STREET P.O. BOX 400
RIO LINDA, CA 95673
916 991-1000 fax 916 991-6616

Estimate

1

Estimate

Customer

Name Twin Rivers Unified School District
Address 6537 West 2nd Street
City Rio Linda CA ZIP 95673
Phone C/O Warren Consulting Engineers 916-985-1870

Date 2/15/2019
Order No. _____

Qty	Description	Unit Price	TOTAL
1	2" Water Service Capacity Fee	\$45,313.64	\$45,313.64
1	Water Service Installation	\$5,500.00	\$5,500.00
1	2" Meter Fee	\$1,000.00	\$1,000.00
<p>Service Estimate for 6537 West 2nd Street New irrigation service to West Side Elementary School.</p> <p>Water Service Capacity Fees are scheduled to increase January 1 of each year, per District ordinance 2016-01.</p>			

SubTotal **\$51,813.64**

Payment Details

- Check
 Money Order

[Handwritten Signature]
2-20-19

TOTAL \$51,813.64

Installation of a Backflow Prevention Device by customer will be required at the service connection prior to service initiation.



Items for Discussion and Action Agenda Item: 4.5

Date: April 15, 2019
Subject: Capital Improvements Projects List
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

There is no action required and no action recommended by Planning Committee for this item at this time. This item is being included on the April 15th Board agenda to relieve the constraints of discussing this item at both standing committees, which can lead to transgressions, real or perceived, of the Brown Act via serial meetings. Potential for Brown Act transgressions are particularly elevated when there is a Board Member who serves on both standing committees.

Current Background and Justification:

In the past few months, the Board took action to terminate several stalled projects that were then part of our capital improvement plan. By default, the projects that remain constitute our capital improvement plan projects.

With the terminated, stalled projects removed, and the transition in District Engineer, it is necessary and appropriate to provide direction, prioritization, and perspective for the remaining projects.

The dialog should also include lessons learned from the stalled projects, i.e. how should the District's approach change to preclude, to the extent feasible, recurrence of stalled projects and expending of resource on assets that never materialize.

Developing these updates and refinements to the capital improvement plan projects list can be processed via one of the standing committees, e.g. Planning Committee. Refinement of the list at committee should continue until the list is ready for Board consideration. It is inappropriate to have discussion regarding the list at one standing committee and continue that discussion at another standing committee. Alternatively, it is entirely appropriate to have a discussion, although not ready for action, with all Board Members at a properly notices board meeting.

Conclusion:

Engage in discussion about the capital improvement projects list. Provide staff direction as appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Paul Green: _____ Ridilla: _____ Harris: _____ Jason Green _____.

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

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date4/15/19

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

 Capital Improvements Projects List

Staff Work Completed

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

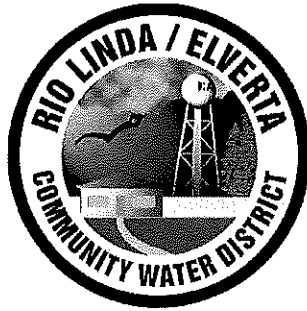
4/02/19**Committee Review of Item and Staff Work**4/05/19

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc
Committees, to prepare board recommendations

Formal Legal Counsel ReviewN/A

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

GM Review4/12/19**Actual Meeting Date Set for Agenda Item**4/15/19



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

Date: April 15, 2019

Subject: Revised District Finance Policies

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance and Administrative Committee considered this item and forwarded it onto the April 15th Board agenda with the Committee's recommendation for approval.

Current Background and Justification:

The Finance and Admin Committee has discussed and directed the re-establishment and revisions to the District Finance Policies for the past two months. Discussions included the statutory requirements, review of the original staff reports, and related documents originally associated with the policies' adoption in 2012. The Committee also discussed necessary updates and current practices in the absence of adopted policies, sometime after 2012 until now.

Assuming the Board adopts the policies as recommended by the Finance Committee, the existence of the appropriate policies and the fiduciary responsibilities of the RLECWD Board of Directors leads to the first action the Board should take in conformance with these policies, authorize the investment of the existing, immediately available Capacity Fees in the District's Local Agency Investment Fund (LAIF), item 4.6.a on the 4-15-2019 Board agenda.

Conclusion:

I recommend the Board adopt the District Finance Policies.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____ Paul Green:_____ Ridilla:_____ Harris:_____ Jason Green_____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date

4/15/19

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

Revised District Finance Policies

4/05/19

Staff Work Completed

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

Committee Review of Item and Staff Work

4/08/19

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A me

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

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4/15/19

GOVERNMENT CODE - GOV**TITLE 5. LOCAL AGENCIES [50001 - 57550]**

(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 4. Financial Affairs [53600 - 53997]

(Chapter 4 added by Stats. 1949, Ch. 81.)

ARTICLE 1. Investment of Surplus [53600 - 53610]

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

53600.3.

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Amended by Stats. 1996, Ch. 749, Sec. 4. Effective January 1, 1997.)

53607.

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

(Amended by Stats. 1996, Ch. 749, Sec. 6. Effective January 1, 1997.)

REDLINE DRAFT OF REVISED RLECWD FINANCE POLICIES
Originally adopted in Resolution 2012-12

3.09.140 District Investment Policy

PURPOSE

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

~~Finance Officer.~~ Permitted investments shall be listed in Exhibit A.

AUTHORITY

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

BASIC POLICY AND OBJECTIVES

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

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

FOLLOWING ARE OBJECTIVES:

DIVERSIFICATION

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

~~PRUDENT INVESTOR STANDARD Investments will be made with the same standard of care that~~

Commented [G1]: Evidently, RLECWD had a "Finance Officer in 2012. We don't have one now, and you don't have anyone literally qualified to make investments for a public agency. There is nothing wrong with the objectives, but all the guidelines regarding investment vehicles and amounts should be deleted. The context included sends an inaccurate message. If we have reserves and/or long-term fee accounts (e.g. capacity fees) They should be invested in LAIF. Unless and until the District has qualified personnel to perform such responsibilities.

Commented [G2]: Again, this content sends the wrong message unless and until the District re-acquires a Treasurer or Finance Officer.

~~persons of prudence, discretion and intelligence exercise when managing their own affairs, not for speculation, but for investment with particular consideration for safety of capital as well as probable~~

~~income derived.~~

REPORTING REQUIREMENTS

~~Annually Each month~~ the Finance Officer shall prepare and submit a report of investment transactions ~~and general finance activity shall be submitted~~ to the Board of Directors. This report will be sufficiently detailed to provide information for investment evaluation.

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

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

Commented [G3]: This clause is unnecessary if we readopt the policies now. We have on Finance Officer and we have no investments other than LAIF.

CONFLICTS OF INTEREST

~~The~~ If the District appoints a Finance Officer or Treasurer, regardless of such position being full-time regular employee or a contract/consultant capacity, such position shall perform his/her duties under this Investment Policy in accordance with the provisions of Section 1126 and 1090 of the Government Code as well as any other state law referred to in this policy.

~~EXCEPTIONS When the Finance Officer determines that an exception to one of the numerical limits is~~

~~in the best interest of the District, such exception is permitted as long as it is consistent with applicable~~

~~State and Federal laws. Exceptions to this policy shall be reported to the Board of Directors within five~~

~~working days along with a detailed explanation for the variance.~~

~~Rio Linda / Elverta Community Water District July 16, 2012~~

~~Resolution 2012-12~~

CONFLICTS

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

SAFEKEEPING

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

EXHIBIT "A"

PERMITTED INVESTMENTS

- ~~1. Investment Type Maximum Investment Maximum Maturity~~
- ~~1) Investment pool authorized under \$50 million¹ Liquid CA Account Statues governed by Government Code Sections 16429.1-16429.4 AKA Local Agency Investment Fund or LAIF.~~
 - 1. Investment pool authorized under \$50 million¹ Liquid CA Account Statues governed by Government Code Sections 16429.1-16429.4 AKA Local Agency Investment Fund or LAIF.
 - 2. California Employers Retiree Benefit Trust (CEBRT)
 - 3. Money Market Mutual Funds governed by Government Code Sections 53601.6(b).

~~2) California Asset Management Unlimited Liquid Account Program (CAMP)~~

~~3) U.S. Treasury Obligations Unlimited 5 Years California Employers Retiree Benefit Trust.~~

~~4) Bank Savings Account 25% Liquid Account~~

~~5) Federal Agencies 75% 5 Years~~

~~6) Commercial Paper 20% 180 Days~~

~~7) Negotiable Certificates of Deposit 20% 180 Days~~

~~8) Re-purchase Agreements 20% 180 Days~~

~~9) Corporate Debt 25% 5 Years~~

~~ADDITIONAL LIMITS ON INVESTMENTS:~~

~~1) No notes.~~

~~3) U.S. Treasury Obligations are limited to Treasury Bills, Treasury Notes, and Treasury Bonds.~~

~~4) Bank Savings Accounts must be collateralized at 110% of account balance.~~

~~5) Federal agency or United States government sponsored enterprise obligations, participations, or~~

~~other instruments, including those issued by or fully guaranteed as to principal and interest by~~

~~federal agencies or United States government sponsored enterprises.~~

~~Rio Linda / Elverta Community Water District July 16, 2012~~

~~Resolution 2012-12~~

~~Must be a U.S. corporation with over \$500 million in assets. The commercial paper must be of~~

~~the highest ranking or of the highest letter and number rating as provided for by a nationally~~

~~recognized statistical rating organization. The District may purchase no more than 10 percent of~~

~~the outstanding commercial paper of any single issuer. Additionally, District purchases may not~~

~~exceed 10% per issuer.~~

~~7) Negotiable certificates of deposit must be issued by a nationally or state-chartered bank, a savings~~

~~association, or a federal association (as defined by Section 5102 of the Financial Code), or a state~~

~~or federal credit union, or by a state-licensed branch of a foreign bank. Purchases are limited to~~

~~institutions which have long-term debt rated in the "A" category or higher, or the equivalent, by a~~

~~nationally recognized rating organization.~~

~~8) The District will enter into repurchase agreements only with primary government securities~~

~~dealers as designated by the Federal Reserve Bank of New York. Repurchase agreements shall be~~

~~governed by a master repurchase agreement adopted by the Public Securities Association. All~~

~~securities underlying repurchase agreements shall be delivered to the District's custodial bank, or~~

~~be handled under a properly executed "tri-party" custodial arrangement. Collateral for repurchase~~

~~agreements is restricted to U.S. Treasury issues or Federal Agency issues.~~

~~The underlying collateral must be at least 102% of the repurchase agreement amount. If the value~~

~~of securities held as collateral slips below 102% of the value of the cash transferred, then~~

~~additional cash or acceptable securities must be delivered to the third party custodian. Market~~

~~value shall be recalculated each time there is a substitution of collateral. For repurchase~~

~~agreements with terms to maturity of greater than three days, the value of the collateral securities~~

~~shall be marked to market weekly by the custodian, and if additional collateral securities is~~

~~required, then that collateral must be delivered within two business days. If a collateral deficiency~~

~~is not corrected within two days, the collateral securities will be liquefied.~~

~~A perfect first security interest in the collateral securities, under the Uniform Commercial Code,~~

~~shall be created for the benefit of the District. Collateral securities shall be held free and clear of~~

~~any lien and shall be an independent third party acting solely as an agent for the District, and such~~

~~third party shall be (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal~~

~~Deposit Insurance Corporation and which has combined capital, surplus, and undivided profits of~~

~~not less than \$50 million.~~

~~9) Purchases are limited to corporate and depository institution debt securities issued by~~

~~corporations organized and operating within the United States or by depository institutions~~

~~licensed by the United States or any state and operating within the United States. Notes eligible~~

~~for investment shall be rated "A" or better by a nationally recognized rating service. District~~

~~purchases may not exceed 10% per issuer.~~

~~Limits subject to change; established by State Treasurer.~~

~~Rio Linda / Elverta Community Water District July 16, 2012~~

~~Resolution 2012-12~~

3.09.150 ~~Operating and Cash~~ Reserve Policy

~~BASIC POLICY STATEMENT AND OBJECTIVES/DEFINITIONS~~

The Rio Linda / Elverta Community Water District reserve policy is a financial policy guided by sound accounting principles of public fund management. The policy establishes several reserve funds to minimize adverse annual budgetary impacts from anticipated and unanticipated District expenses. The adequacy of the target reserve year-end balance ranges and/or annual contributions will be reviewed annually during the budgeting and rate setting process and may be revised accordingly as necessary.

~~The District reserves can be classified into two categories that include Restricted for Debt Service and Restricted Other Purposes. A "fund" is a segregation within the District's accounting system to keep sources and uses for a particular purpose easily identifiable and reportable.~~

~~**Restricted for Debt Service:** Funds that are used to account for accumulations of resources that are restricted for principal and interest.~~

~~**Restricted Other Purposes:** Funds that are used to accumulations of resources that are restricted for other purposes not included in Debt Service restricted assets.~~

The following District reserve funds ~~categories~~ are ~~restricted~~ ~~established~~ ~~for~~ ~~debt~~ ~~service~~:

~~1-Capital Improvement Capacity Fee Reserve~~

~~1.1- Purpose: To provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service.~~

~~1.2- Target Balance: AB1600 does not designate a target reserve balance. A Government Code 66000 Compliance Report identifies the proposed capital projects necessary to maintain and/or improve services and the amount needed to fund those capital projects. In accordance with Government Code 66000, the balance shall not exceed the amount specified by that law.~~

~~1.3- Methodology/Rational: Virtually all development that occurs within the District requires the use of District facilities, plant and equipment for public services. This fee is established to insure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs.~~

~~1.4- Use of Funds: The funds generated by the fee will be used to acquire, replace and/or construct various capital facilities, plant and equipment for the provision of water, security and administrative services.~~

~~1.5- Funding: Annual contributions from developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments. The District also currently contributes \$20,000.00 per month into this fund from operating income.~~

1. ~~2-~~Surcharge 1 Account

1.1. ~~2.1-~~ Purpose: ~~To pay the semi-annual payments per~~ This account was created to pay off the 2011~~0~~ Safe Drinking Water State Revolving Fund SRF ~~Loan~~ of \$7,1794~~99~~,07245.7900. 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.~~

1.2. ~~2.2-~~ Target Balance: Per Article B-4, a minimum of \$80,320 shall be deposited into the account every other month until the loan is repaid in full. ~~The target balance increases and decreases~~

Commented [G4]: This section exemplifies why the District needs to have these policies in the Policy Manual.

~~with the construction project in progress. It will stabilize when the construction is complete and loan payment begins. Hence, there is currently no target balance.~~

- 1.3. ~~2.3-~~Methodology/Rational: ~~It has been determined by t~~The State of California ~~that~~set the amount of \$19.00 per connection per billing period ~~should be sufficient for the for loan repayment of their loan.~~
 - 1.4. ~~2.4-~~Use of Funds: The funds will be used only for ~~repayment of SRF principal and/or interest on the loan or any delinquencies until loan is repaid in full per funding agreement Section 13 Fiscal Services and Deposit Account Control Agreement.~~
 - 1.5. ~~2.5-~~Funding: ~~a~~ surcharge fee of \$19.00 per billing cycle is charged to each active account and collected as a primary source of funds. ~~A minimum of \$80,320 per billing cycle is deposited until the loan is paid off.~~
2. ~~3-~~Surcharge 1 Reserve Fund
- 2.1. ~~3.1-~~Purpose: To establish a reserve as required by our 2011 Safe Drinking Water State Revolving Fund (SDWSRF)SRF funding agreement # SRF111CX107, Article B-4 Reserve Fund. The Reserve Fund shall be maintained and administered by the Fiscal Agent.
 - 2.2. ~~3.2-~~Target Balance: The target balance is equivalent to two (2) loan payments or a minimum of \$481,917.00 per funding agreement Article B-4, which is equivalent to 2 semiannual loan payments.
 - 2.3. ~~3.3-~~Methodology/Rational: ~~There is \$88,352.00 put into this reserve every billing cycle. The current balance is \$353,408.00. The reserve should be up to the required amount in the next two billing cycles~~ To assure that funds will be available to make the semi-annual payments when due.
 - 2.4. ~~2.4-~~Use of Funds: The funds will ~~not be used. They are to~~ remain in this account until the loan is paid off per our loan agreement.
 - 2.5. ~~2.5-~~Funding: The reserve is fully funded \$88,352.00 is transferred into this account every billing cycle until it reaches its required amount.

~~4. 2003 Water Revenue Refunding Bonds Reserve Fund 2032~~

Commented [DD5]: Deleted no longer required

- ~~4.1. Purpose: To establish a reserve as required by our 2003 Water Revenue Refunding Bonds~~
- ~~4.2. Target Balance: The target balance is \$242,484.00 which is equivalent to 2 semiannual loan payments.~~
- ~~4.3. Methodology/Rational: This fund is already fully funded and no additional monies are being deposited.~~
- ~~4.4. Use of Funds: The funds will not be used. They are to remain in this account until the bonds are paid off per our bond agreement.~~
- ~~4.5. Funding: This fund is already fully funded and no additional monies are being deposited. Rio Linda / Elverta Community Water District July 16, 2012 Resolution 2012-12~~

3. ~~5-201503~~ Water Revenue Refunding Bond ~~Debt~~ Service Fund

- 3.1. ~~5-1-~~ Purpose: To make semi-annual bond payments ~~on the 2003 bonds in the amount of \$3,970,000.~~
- 3.2. ~~5-2-~~ Target Balance: The amount equivalent to the amount payable on the bonds semi-annually. ~~There is approximately \$240,000.00 due per year on this bond issue.~~
- 3.3. ~~5-3-~~ Methodology/Rational: The District deposits ~~\$20,000.00~~ a set amount per month in to this reserve from the Operating Fund ~~in order~~ to have sufficient funds to pay the bond payments when due.
- 3.4. ~~5-4-~~ Use of Funds: These funds are used exclusively to repay the 201503 Bond debt.
- 3.5. ~~5-5-~~ Funding: The set amount is paid by the Operating Fund \$20,000 per month ~~is put into this account~~ to build up enough money for payment of the bonds when due.

4. Surcharge 2 Account

- 4.1. Purpose: Maintained by the District into which collected Surcharge #2 revenues are deposited per the 2018 Installment Sale Agreement with OPUS Bank for the Project outlined in Exhibit B. This account will be closed after repayment of the loan.
- 4.2. Target Balance: The amount equivalent to the loan amount payment semi-annually.
- 4.3. Methodology/Rational: The surcharge imposed by the District for the Project pursuant to its Ordinance No. 2016-02.
- 4.4. Use of Funds: The funds will be used only for payment 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.
- 4.5. Funding: A surcharge fee collected at the rate of \$7.90 for each water connection, increasing to \$15.80 for each water connection on July 20, 2018, and collected as a primary source of funds for loan repayment.

The following District reserve funds are restricted for other purposes:

4.5. ~~6-~~ Operating Reserve Fund

- 4.1. ~~5.1.~~ 6-1- Purpose: To ensure cash resources are available to fund daily administration, operations and maintenance of providing water, wastewater, security and drainage services provide an emergency reserve fund to cover temporary cash flow deficiencies caused by timing differences between revenues and expenditures.
- 4.2. ~~5.2.~~ 6-2- Target Balance: Funding shall be A minimum of ~~six~~ one months of cash to fund District operating expenditures.
- 4.3. ~~5.3.~~ 6-3- Methodology/Rational: The District is required to have sufficient cash flow to meet the next six months of budgeted District expenditures (Government Code Section 53646(b)(3)). This fund is ~~The next six months of projected cash revenues can be~~ included as a source of cash flow to satisfy this requirement. ~~Revenues in excess of reserve contributions and expenditures resulting from expenditure savings or timing differences are also reflected in this fund.~~

~~4.4-6.4.~~ Use of Funds: These funds ~~may be will be~~ used to cover temporary cash flow deficiencies caused by timing differences and/or unexpected decreases revenue and expenses pay for expenditures according to budget and expenditure authority.

5.4.

~~4.5-5.5.~~ 6.5-Funding: 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 Annual contributions will vary, depending upon other reserve requirements and current year expenditure requirements. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

~~5-7.~~ Trust Account

~~6-7.1.~~ Purpose: To collect deposits for new customer accounts. These deposits are refunded after one year of timely payment on their account.

~~7-7.2.~~ Target Balance: The balance on this account fluctuates with the number of customers that have deposits with the District.

~~8-7.3.~~ Methodology/Rational: The District requires a \$100.00 deposit for each parcel that is owned by a customer. There is a method of waiving the deposit. If the customer can provide us with a letter of credit from a current or previous utility provider that shows at least one year of history with no late payments or returned checks the deposit can be Rio Linda / Elverta Community Water District July 16, 2012 waived. If a deposit is required, the deposit gets returned to their account after one year of timely payment or when they move. If there is a deposit balance after paying the final bill upon leaving the property it is refunded in the form of a check.

~~9-7.4.~~ Use of Funds: These funds will be used to pay the final bill on an account if it is left unpaid when the owner moves away.

~~10-8.~~ Secured Credit Card

~~11-8.1~~ Purpose: To provide a constant amount of money for the District credit cards to draw upon.

~~12-8.2.~~ Target Balance: The balance on this account is \$15,000.00.

~~13-8.3.~~ Methodology/Rational: The District had no credit when the current Management went to obtain a credit card for the company. The only way a card could be secured was to have a constant balance set aside for the company credit cards to draw upon and reimburse monthly.

~~14-8.4.~~ Use of Funds: These funds are used to pay credit card expenses and reimbursed monthly.

~~15-8.5.~~ Funding: The District initially funded this account with the amount of \$15,000.00.

~~16.6.~~ 9-LAIF-OPEB or GASB 745 Funding

~~16.1-6.1.~~ 9.1 Purpose: To provide a source of income to fund ~~post-retirement~~ post-retirement benefits.

~~16.2.~~ 9.2 Target Balance: None Unknown. An Actuarial study needs to be performed to determine the

~~16.3-6.2.~~ appropriate amount to include in this account.

~~16.4-6.3.~~ 8.3-Methodology/Rational: Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and -the California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the

administration and investment of the Prefunding Plan (also referred to as CERBT)~~This will be determined when the actuarial study is done.~~

~~16.5.6.4. 8.4-~~ Use of Funds: ~~These funds are to~~ be used to fund post-retirement benefits costs, e.g. retiree medical insurance benefits obligated via applicable collective bargaining agreements.

~~6.5. 8.5-~~ Funding: The ~~annual Operating Budget income to fund this account~~ will determine the funding amount. The funds will be paid through ~~come from~~ the Operating Fund.

7. Capacity Fee Reserve

7.1. Purpose: To provide funds for the orderly and timely expansion of the District facilities to meet future demand and to maintain and/or improve the District's existing level of service.

7.2. Target Balance: AB1600 does not designate a target reserve balance. A Government Code 66000 Compliance Report identifies the proposed capital projects necessary to maintain and/or improve services and the amount needed to fund those capital projects. In accordance with Government Code 66000, the balance shall not exceed the amount specified by that law.

7.3. Methodology/Rational: Virtually all development that occurs within the District requires the use of District facilities, plant and equipment for public services. This fee is established to insure the adequacy and reliability of such facilities, plant and equipment as development of undeveloped land occurs.

7.4. Use of Funds: The funds generated by the fee will be used to acquire, replace and/or construct various capital facilities, plant and equipment for the provision of water, security and administrative services.

7.5. Funding: Annual contributions from developer fees will depend upon new construction within the District. Additionally, interest earnings will be accrued on and added to fund balance, using the District's earnings rate on investments.

Commented [G6]: The content and context of this section (e.g. AB1600 and GC 66000 references) implies this section was intended to address the Capacity Fees. Capital Improvement funding would not normally entail any sort of a reserve account. Furthermore, the District should not be making contributions, annual or otherwise in a Capacity Fee Account unless there was a parent document delineating and justifying how the existing customers need to help pay for new capacity.

3.09.160 Whistleblower Policy

PURPOSE

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

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

NO RETALIATION

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

PROCEDURE FOR REPORTING VIOLATIONS

It is the responsibility of all Directors, Managers and Employees to report all suspected Accounting Irregularities in accordance with this Policy. RLECWD maintains an open-door policy and suggests that Complainants share their questions, concerns or complaints with someone who can address them properly. In most cases, the Complainant's supervisor is in the best position to address an area of concern. A Complainant's supervisor may be most knowledgeable about the issues and will appreciate being brought into the process. It is the supervisor's responsibility to help solve the problem.

~~2-~~If the Complainant is not comfortable speaking to his/her supervisor or is not satisfied with the supervisor's response, the Complainant is encouraged to speak with the General Manager. Supervisors and General Manager are required to report suspected Accounting Irregularities to the Board of Directors. The Board of Directors will create an Audit Committee which has specific and exclusive responsibility to investigate all reported violations. For suspected fraud or securities law violations, or when the Complainant is not satisfied or is uncomfortable with following RLECWD's open door policy, the Complainant should contact the General Manager directly.

RLECWD General Manager

P.O. Box 400

Rio Linda, CA 95673

(916) 991-1000

INVESTIGATION OF COMPLAINTS

- ~~1-~~The Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Accounting Irregularities. The Audit Committee may retain independent legal counsel, accountants or other to assist in its investigation.
- ~~2-~~The Chair of the Audit Committee will notify the Complainant and acknowledge receipt of the reported suspected Accounting Irregularity within five business days. All reports will be ~~promptly~~ investigated promptly and appropriate corrective action will be taken if warranted as a result of the investigation.
- ~~3-~~RLECWD shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.

ACCOUNTING AND AUDITING MATTERS

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

ACTING IN GOOD FAITH

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

CONFIDENTIALITY

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



Items for Discussion and Action
Agenda Item: 4.6.a

Date: April 15, 2019

Subject: Authorize Transfer of Current Accrued Capacity Fees to Local Agency Investment Fund (LAIF)

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The April 8th Finance and Administrative Committee directed staff to prepare a report of the currently accrued amount of Capacity Fees, which was (at the time of the Committee meeting) expected to lead to a Board consideration to authorize investing those Capacity Fees in LAIF. The accounting report is ready now, and it is a natural assumption that the Committee would have directed this item and recommended Board approval if the report had been anticipated by staff in time for the Committee meeting. The report is ready now and I've taken the liberty of anticipating the next logical step.

Current Background and Justification:

Assuming the Board adopted the District Finance Policies described in item 4.6 on the 4-15-2019 agenda, it is necessary and appropriate for the Board to authorize appropriate investment of restricted accounts for which the District reasonably anticipates expenditure will not be necessary in the near term. Capacity Fees is good example of the need for secure investment, where the funds will experience conservative growth until an eligible capacity project is approved by the board and sufficiently funded via the long-term collection of fees has been attained.

Conclusion:

I recommend the Board authorize investment of the existing available Capacity Fees into the District's LAIF account.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Paul Green: _____ Ridilla: _____ Harris: _____ Jason Green _____.

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

RLECWD Agenda Item Checklist

Item 4.6.a

Date

Initial Potential Meeting Date

4/15/19

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

Authorize Transfer of Current Accrued Capacity FEEs to Local Agency Investment Fund LAIF).

4/05/19

Staff Work Completed

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

Committee Review of Item and Staff Work

4/08/19

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

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

GM Review

4/12/19

Actual Meeting Date Set for Agenda Item

4/15/19

Rio Linda Elverta Community Water District
Capacity Fees Collected
March 2015 through March 2019

	Date	Name	Memo	Qty	Sales Price	Amount
5/8 Meter						
	03/06/2015	Corpos, Dissie:6212 2nd Street RL	5/8' Water Service Capacity Fee	1.00	4,590.00	4,590.00
	06/09/2016	MHJ Construction:6749 5th St RL	** 5/8 Water Service Capacity Credits for Abandoning Existing Services	1.00	-4,600.00	-4,600.00
	08/30/2016	Ritchey, David:6201 22nd St RL	5/8' Water Service Capacity Fee	1.00	4,600.00	4,600.00
	03/05/2018	Wright, Michael:6601/6613 Sunview Way RL	** 5/8' Water Service Capacity Credits for Abandoning Existing Services 6601 Sunview Way	-1.00	5,607.70	-5,607.70
	03/05/2018	Wright, Michael:6601/6613 Sunview Way RL	** 5/8' Water Service Capacity Credits for Abandoning Existing Services 6613 Sunview Way	-1.00	5,607.70	-5,607.70
	05/01/2018	Laguna Oaks, LLC:Rite Aid	** 5/8' Water Service Capacity Credits for Abandoning Existing Services	-3.00	5,607.70	-16,823.10
Total 5/8 Meter						-23,448.50
3/4 Meter						
	04/19/2016	Frost, Carol:7040 24th RL	3/4"Water Service Capacity Fee	1.00	6,920.00	6,920.00
	07/13/2016	Viva Managment Corp:6341 24th Street	3/4"Water Service Capacity Fee	1.00	6,920.00	6,920.00
Total 3/4 Meter						13,840.00
1 Meter						
	04/28/2015	MHJ Construction:1229 E Street	1' Water Service Capacity Fee	1.00	11,510.00	11,510.00
	04/28/2015	Truckee Mountain Homes:1225 E Street	1' Water Service Capacity Fee	1.00	11,510.00	11,510.00
	01/07/2016	Noguez, Breta:6540 A 24th Street	1' Water Service Capacity Fee	1.00	11,510.00	11,510.00
	05/05/2016	Pavlitkiy, Nazariy:6841 7th Ave RL	1' Water Service Capacity Fee	1.00	11,530.00	11,530.00
	06/09/2016	MHJ Construction:6739 5th St RL	1' Water Service Capacity Fee	1.00	11,530.00	11,530.00
	06/09/2016	MHJ Construction:6749 5th St RL	1' Water Service Capacity Fee	1.00	11,530.00	11,530.00
	10/17/2016	Ramirez, Martin:8242 Eloise & Elverta Rd	1' Water Service Capacity Fee	1.00	11,530.00	11,530.00
	06/02/2017	Cook, Jason & Sara:5778 24th Street RL	1' Water Service Capacity Fee	1.00	13,599.62	13,599.62
	01/30/2018	Burwell, Karyl:5700 16th St RL	1' Water Service Capacity Fee	1.00	13,599.62	13,599.62
	02/21/2018	Moore, Kelly & Robert:7410 14th St RL	1' Water Service Capacity Fee	1.00	13,599.62	13,599.62
	03/05/2018	Wright, Michael:6601/6613 Sunview Way RL	1' Water Service Capacity Fee 6601 Sunview Way	1.00	14,062.01	14,062.01
	03/05/2018	Wright, Michael:6601/6613 Sunview Way RL	1' Water Service Capacity Fee 6613 Sunview Way	1.00	14,062.01	14,062.01
	04/16/2018	MHJ Construction:616 S Street RL	1' Water Service Capacity Fee	1.00	14,062.01	14,062.01
	05/01/2018	Laguna Oaks, LLC:Rite Aid	1' Water Service Capacity Fee	3.00	14,062.01	42,186.03
	05/01/2018	Laguna Oaks, LLC:Rite Aid	** 1' Water Service Capacity Credits for Abandoning Existing Services	-1.00	14,062.01	-14,062.01
	06/14/2018	Gromakov, Sergey:8020 Rio Linda Blvd RL	1' Water Service Capacity Fee	1.00	14,062.01	14,062.01
	07/10/2018	Dubinstsky, Vadim:6218 W 4th St RL	1' Water Service Capacity Fee	1.00	14,062.01	14,062.01
	11/14/2018	Bondareko, Yuriy:5819 26th St RL	1' Water Service Capacity Fee	1.00	14,062.01	14,062.01
Total 1 Meter						233,944.94
1 1/2 Meter						
	05/01/2018	Laguna Oaks, LLC:Rite Aid	1 1/2" Water Service Capacity Fee	1.00	28,124.02	28,124.02
Total 1 1/2 Meter						28,124.02
6" Fire						
	05/01/2018	Laguna Oaks, LLC:Rite Aid	6" Fire Sprinkler System Capacity Fee	1.00	18,151.23	18,151.23
Total 6" Fire						18,151.23
Total Capacity Fees						<u>270,611.69</u>

** Credits are for Abandoning Existing Services



Items for Discussion and Action

Agenda Item: 4.7

Date: April 15, 2019

Subject: Consolidate the Two Current Standing Committees into One Standing Committee

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not discussed by either standing committee. This item was directed to be placed on the April 15th Board meeting agenda by the Chair.

Current Background and Justification:

The Chair and the General Manager have discussed the pros and cons of consolidating the two existing standing committees into one standing committee. Currently, it is common for Directors serving on one or more of the existing committees to want to discuss particular items having already been discussed at one of the standing committees. Appropriately, the serial meeting prohibitions in the Brown Act curtail such practices.

Additional consequences to the statutory requirements for standing committees entails establishing/adopting a specific scope for a standing committee and guarding against overlapping scopes...among other committees within the same governing board, which could otherwise also lead to serial meetings.

Lastly, the desire for routine in scheduling recurring standing committees often leads to sacrificing agenda and documents preparation time. Sometime the first Friday and the second Monday are only separated by two, non-working days. Sometimes the second Monday is a holiday. Every time, there are only a few days of agenda and document preparation between Finance Committee day and Board meeting agenda deadline.

Conclusion:

This idea should be discussed. If it is the consensus of the Board to consolidate or continue exploring consolidation of the two existing standing committees into one committee, direct staff accordingly and staff will prepare a report with more comprehensive details on who the District could improve its standing committee process.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____ Paul Green:_____Ridilla:_____ Harris:_____ Jason Green_____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.7

Date

Initial Potential Meeting Date4/15/19

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

Consolidate the Two Current Standing Committees Into One Standing CommitteeN/A**Staff Work Completed**

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

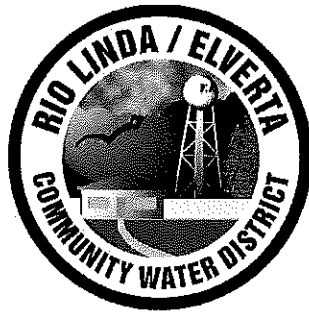
Committee Review of Item and Staff WorkN/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel ReviewN/A

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

GM Review4/12/19**Actual Meeting Date Set for Agenda Item**4 /15/19



50

Items for Discussion and Action

Agenda Item: 4.8

Date: April 15, 2019

Subject: Umpqua Bank Terms and Conditions for Services

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Finance / Admin Committee forwarded this item onto the April 15th Board agenda with its recommendation for Board approval.

Current Background and Justification:

The Board actions and direction to staff at the March 18th meeting were to continue evaluation of the Umpqua Bank Master Service Agreement (MSA) due to the relatively unfavorable content and format of the California Bank and Trust MSA. Timing restrictions warranted that the District execute the CA Bank and Trust MSA, as authorized by Board action, but to render such agreement with CA Bank and Trust eligible for termination via replacing the banking services provider.

As attested by Legal Counsel at the March 18th Board meeting, the Umpqua document is favorable, but we (Legal Counsel included) did not receive the Umpqua document in time to be considered by the Board at the March 18th Board meeting. Legal Counsel, having had possession of the Umpqua Bank MSA since March 18th, should now have had sufficient time for review.

Other elements of switching banking services providers also need to be evaluated before the District begins a transition and we are able to terminate the CA Bank and Trust MSA. I have reviewed the pricing and service charges in comparison to the equivalent charges at California Bank and Trust. The Umpqua fees are more favorable. So far so good, but there are additional details to vet before the District is ready to undertake a transition. For example, there are customer transactions the District processes in coordination with both our billing software services provider (CUSI) and CA Bank and Trust. We need to confirm Umpqua can handle these and/or we can find a working alternative.

Conclusion:

I recommend the Board approve the Terms and Conditions for services from Umpqua Bank, and further authorize execution of all appurtenant documents for the transition to Umpqua Bank following the completion of the vetting of services by staff.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills: _____ Paul Green: _____ Ridilla: _____ Harris: _____ Jason Green _____.

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

RLECWD Agenda Item Checklist

Item 4.8

Date

Initial Potential Meeting Date4/15/19

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

Umpqua Bank Terms and Conditions for Services

4/05/19**Staff Work Completed**

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

Committee Review of Item and Staff Work4/08/19

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc
Committees, to prepare board recommendations

Formal Legal Counsel Review3/18/19

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

GM Review4/12/19**Actual Meeting Date Set for Agenda Item**4 /15/19

General Provisions

Terms and Conditions applicable to all Treasury Management Services

Proprietary Information

Customer acknowledges that all computer programs and systems used in providing Services, and all information relating thereto, constitute proprietary property of Umpqua and/or Umpqua's licensors that is of commercial value. Customer shall not acquire any interest or rights therein as a result of its use of Services and shall keep all such information strictly confidential.

Representations & Warranties

Customer and Umpqua each represent and warrant to the other, as of the date the TMS Agreement is entered into and at the time any Service is used or performed hereunder, that such representing and warranting party: (a) is validly existing and in good standing under the laws of the jurisdiction of its organization; (b) has all requisite authority to enter into and perform the TMS Agreement, and that the TMS Agreement is enforceable according to its terms; and (c) any consent or authorization of any governmental or regulatory authority or third party required to be obtained has been obtained by it in connection with the TMS Agreement and the Service.

Financial Review

Umpqua's willingness to provide Services to Customer is dependent on Customer's financial condition. Customer's financial condition is subject to review by Umpqua from time to time, and such reviews must be satisfactory to Umpqua in its sole discretion and opinion. Customer shall, upon request, provide to Umpqua any such information as Umpqua may require to perform any such review. Customer's failure to meet such standards or provide such information or assistance when requested shall constitute a breach of the TMS Agreement and shall permit Umpqua to cease providing the Service immediately.

Fees

Unless otherwise agreed by Umpqua in writing, Customer shall pay Umpqua the fees, charges and assessments for the Service as provided in the most current fee schedule. The price for each Service shall be deemed accepted by Customer upon provision of Services to Customer. In addition, Customer shall pay Umpqua the amount of any sales, excise, or similar taxes levied on fees charged under the TMS Agreement, and any assessments charged to Umpqua directly as a result of providing Service. Additionally, Customer agrees to pay Umpqua any fees or charges provided for in any Account Agreement between Umpqua and Customer. The fees for Services may be adjusted to reflect increases in any applicable third-party fees, assessment or charges. All such adjustments shall be Customer's responsibility to pay and shall become effective upon the date any such change is implemented by the applicable third party. Umpqua may change the amount or type of Service charges from time to time without advance notice to Customer. Fees for Service used by Customer may be charged in full to Customer's master billing account or may be offset through account analysis by applying earnings credit to Customer's Service charges to determine a single monthly net Service charge. Customer authorizes Umpqua to debit Customer's master billing account with Umpqua for any and all fees, expenses or other charges owed by Customer to Umpqua under the TMS Agreement.

Accounts

Unless otherwise determined by Umpqua, at Umpqua's sole discretion, to be eligible to use some Services, Customer must maintain an active, analyzed business checking account in good standing with Umpqua, as well as such other accounts as are specified in the sections hereof relating to specific Services hereunder.

Security Interest

Customer grants Umpqua a contractual possessory security interest in Customer's accounts maintained with Umpqua and the funds held therein to secure payment of all of Customer's obligations under the TMS Agreement. In connection with that grant, you acknowledge that we may set off against any accounts you own in whole or in part with us for any obligation you owe us at any time and for any reason allowed by the laws governing your account. These obligations include both secured and unsecured debts and debts you owe individually or with another authorized signer. We may consider this TMS Agreement as your consent to Umpqua Bank's asserting its security interest or exercising its right of setoff should the laws governing your account require consent. The rights described in this subsection are in addition to and apart from any other rights, including any rights granted under any security interest that you may have granted to us. The grant of this security interest shall survive termination of these Services.

Authorized Users

Customer agrees that Authorized Users shall be authorized to act on behalf of Customer in all actions taken under the TMS Agreement, including selecting Services for the benefit of Customer, appointing agents to act on behalf of

Customer, signing any documents relating to the applicable Services (e.g., giving Customer's instructions regarding such Services), including wire transfers, ACH transfers and other electronic or paper transfers from or to any account Customer maintains with Umpqua and/or any account at another institution as specified by such Authorized Signer. The Authorized Users may appoint agents who may act on Customer's behalf regarding a particular Service in accordance with the relevant documents or system settings establishing the Authorized Users' responsibilities. Customer may revoke the authority of or change the Authorized Users at any time upon prior written notice or execution of system settings and/or execution of additional documentation as may be required by Umpqua. Such change or revocation shall not be binding upon Umpqua until Umpqua has received the required written notice or system setting change and has had a reasonable opportunity to act thereon. In any event, Umpqua may act on instructions that it believes in good faith were provided by an Authorized User, and agent of such Authorized User or anyone purporting to be an Authorized User.

Security Procedures

Umpqua shall from time to time establish one or more security procedures to be used by Umpqua and Customer in connection with certain Services. Customer agrees to be bound by any payment order, transaction or Service change order that is acted upon by Umpqua in accordance with such security procedures. Customer understands that the security procedures are not for the purpose of detecting errors in the transmission or content of information controlled by Customer. If Customer selects certain security procedures to use in connection with a Service and those security procedures provide less protection against unauthorized transactions or activity than other security procedures offered by Umpqua in connection with such Service: (i) the security procedures selected by Customer shall be deemed commercially reasonable to the same extent as the security procedures offered by Umpqua that provide greater protection; and (ii) Customer shall indemnify and hold Umpqua harmless from and against all Losses and Liabilities relating directly or indirectly to Customer's use of such security procedures. Umpqua reserves the right to issue new security procedures and/or to cancel or change any security procedures from time to time.

1. Access

Customer shall be solely responsible for designating individuals or servers identified by IP (internet protocol) addresses which are authorized to access Services and shall be liable for all transactions initiated through the Services, including overdrafts. Access to the Services will be controlled through the use of names, identification numbers and/or passwords for Authorized Users ("Credentials"). For transactions sent or received via Secure File Transfer Protocol (Secure FTP) transmission, Umpqua will list the IP address of Customer's transmitting server as authorized and will provide Authorized User Credentials. All information disseminated and transactions initiated with the appropriate Credentials shall be presumed to have been disseminated and/or initiated by Authorized Users. Customer is solely responsible for maintaining its own security and agrees to use the utmost care in selecting any individual given access to use one or more of Services or access to any information concerning one or more of Services. Customer is solely responsible for the security of customer's authorized servers for sending and receiving transactions related to Services. Customer is solely responsible for removing previously Authorized Users that it desires not to have access to Services. Customer shall be solely responsible for any future dated transactions initiated by an Authorized User, even when Customer removes access of that User before the occurrence of a stored future dated transaction. Customer is responsible for maintaining the security and confidentiality of all Credentials and other security devices issued to or by Customer (collectively, "Customer's Internal Security Devices"). Customer shall not permit unauthorized individuals to use Customer's Internal Security Devices to access any Services. Customer is responsible for the actions of any individuals using Customer's Internal Security Devices to access any Service. Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua in 24 hours if the security of Customer's Internal Security Devices has been compromised. Customer shall indemnify and hold Umpqua harmless against all losses, liabilities, damages, claims, demands, obligations, actions, suits, judgments, penalties, costs or expenses, including, but not limited to, attorneys' fees, (collectively, "Losses and Liabilities") relating, directly or indirectly, to Customer's failure to maintain the security and confidentiality of Customer's Internal Security Devices, Credentials or the unlawful use of any Services by Customer or any person who obtains access to Services using Customer's Internal Security Devices.

2. Confidentiality

Customer and Umpqua represent, warrant and mutually agree that all confidential information concerning the other party or parties that comes into its possession in connection with any services including security procedures or any security codes, keys, online Credentials, identification numbers, digital certificates/signatures or template numbers ("Codes"), will be maintained in strictest confidence and shall not be used or divulged to any third party except in the proper performance of the TMS Agreement or as required by applicable law or regulation. Customer is solely responsible for establishing and maintaining procedures to assure the confidentiality of its own security procedures, security devices and Codes and

assumes all risk of accidental disclosure or inadvertent use of any security device by any party whatsoever, whether such disclosure or use is due to Customer's negligent or deliberate acts or otherwise. If Customer or its agents have reason to believe that any security procedures or Codes have or may become known by unauthorized persons (whether or not employed by Customer), Customer shall immediately notify Umpqua by telephone and confirm such verbal notification in writing to Umpqua within 24 hours. Umpqua will replace the security procedures and Codes in accordance with Umpqua's security procedures. Customer shall be solely responsible for payment instructions and other communications initiated before Umpqua received Customer's notice and had a reasonable time to act on such notice. Umpqua reserves the right to change any or all of the security procedures or Codes by giving verbal or written notice to Customer.

3. Verbal and/or Written Instructions

For some Services, Umpqua may choose to honor Customer's request to give Umpqua verbal or written instructions regarding Services. Customer agrees that Umpqua may in good faith rely on such verbal or written instructions that purport to come from an Authorized User without independent verification by Umpqua.

4. System Requirements

Customer shall at all times use an Internet web browser that supports the level of encryption used by Umpqua as part of its security procedures. Umpqua reserves the right to supplement or change its security procedures from time to time upon reasonable notice to Customer, which Customer acknowledges may be less than a day's notice. Umpqua reserves the right to reject any transaction or Service request that is not made in accordance with its security procedures.

5. Risks of Using the Internet

Customer understands and agrees that, while Umpqua and Umpqua's Service providers have established certain security procedures, such as firewalls and data encryption designed to prevent unauthorized access to Customer's accounts or transactions, there can be no assurance that inquiries or transaction activity will be completely secure. Customer acknowledges and agrees to maintain adequate security measures for its systems so as to prevent unauthorized access. Customer also understands and agrees that access to the Service will not be free from delays, malfunctions, or other inconveniences generally associated with this electronic medium. Customer agrees that Umpqua is not responsible for any such unauthorized access, delays or malfunctions, or the acts of third parties.

6. Customer Administrator

Customer shall designate one or more Customer Administrators. Umpqua is authorized to direct all passwords, codes, program updates and System changes to the Customer Administrator. Umpqua is authorized to receive instructions from the Customer Administrator regarding requested changes to Services. The Customer Administrator shall be responsible for setting up online Services and for establishing internal security procedures related to such online Services, including accepting delivery of software, system-wide configuration of Umpqua accounts, establishing authority levels, establishing authorization requirements, and distributing online Credentials, Umpqua administered security devices, and other internal security devices related to the online Services. Customer's designation of the Customer Administrator may be amended or revoked from time to time upon written notice to Umpqua. Umpqua shall have a reasonable time to act on any such notice.

Online Services – Restricted Transactions

Restricted transactions are prohibited from being processed through any account or relationship or Service hereunder. The Federal Reserve Board's Regulation GG defines "restricted transaction" as meaning any of the following transactions or transmittals involving any credit, funds, instrument, or proceeds that the law prohibits any person engaged in the business of betting or wagering (which does not include the activities of a financial transaction provider, or any interactive computer Service or telecommunications Service) from knowingly accepting, in connection with the participation of another person in unlawful Internet gambling:

- Credit, or the proceeds of credit, extended to or on behalf of such other person (including credit extended through the use of a credit card);
- An electronic fund transfer, or funds transmitted by or through a money transmitting business, or the proceeds of an electronic fund transfer or money transmitting Service, from or on behalf of such other person; or
- Any Check or Item that is drawn by or on behalf of such other person and is drawn on or payable at or through any financial institution.

Equipment & Software

Customer is responsible for obtaining (from Umpqua, in some instances), installing and maintaining the computers, communications equipment, software, web browsers, Internet access, merchant terminals, and communications Services necessary to access and use Services in accordance with the TMS Agreement, all at Customer's sole expense. Umpqua is not responsible for any errors or failures from any malfunction of your computer or software. Umpqua makes no warranty to Customer regarding your computer or software, including any warranty of merchantability or fitness for a particular purpose.

Customer agrees to install upgrades and other system enhancements within a reasonable time of being requested to do so by Umpqua.

With respect to any software provided to Customer by Umpqua or by Umpqua's licensors ("Umpqua Software"), Customer shall comply with all applicable software license agreements, whether or not Customer has executed such agreements. Such license agreements shall be embedded in the software, separately documented, and/or as provided herein, and Customer shall be bound by all of the foregoing.

Customer has no rights or ownership in any Umpqua Software provided by or through Umpqua and shall not transfer, copy, alter, modify, reverse engineer, reproduce, or convey in any manner, in whole or in part, any such Umpqua Software. Customer shall return all Umpqua Software and user manuals and other documentation associated with any Umpqua Software upon request. Umpqua makes no representations or warranties regarding any equipment or software provided by Umpqua or by Umpqua's licensors. Umpqua is not responsible for any computer viruses that Customer may encounter. Umpqua is not responsible for any computer virus related problems that may be associated with the use of the Online Banking Service or any other Service.

UMPQUA AND UMPQUA'S LICENSORS SHALL HAVE NO LIABILITY OF ANY NATURE TO CUSTOMER, OR TO ANY THIRD PARTY, FOR ANY DAMAGES, LOSSES, LIABILITIES OR CLAIMS, WHETHER IN CONTRACT, TORT, INFRINGEMENT, OR OTHERWISE, WHICH CUSTOMER OR ANY THIRD PARTY MAY INCUR IN CONNECTION WITH CUSTOMER'S USE OF ANY SOFTWARE, OR COMPUTERS OR OTHER EQUIPMENT, WHETHER OR NOT SUPPLIED BY UMPQUA OR UMPQUA'S LICENSORS, INCLUDING, WITHOUT LIMITATION, ANY ARISING FROM ERRORS IN THE SOFTWARE OR COMPUTERS OR OTHER EQUIPMENT.

License

Subject to agreements Umpqua may have with its licensors, whenever Umpqua provides Customer with any Umpqua Software, Umpqua grants Customer a non-exclusive, non-transferable license, non-sub-licensable license to: use the Umpqua Software in object code form only in connection with the applicable Services, solely for Customer's business operations, in accordance with the TMS Agreement and solely on equipment that complies with any equipment related specifications provided by Umpqua; copy and use the related documentation solely to support Customer's authorized use of the Umpqua Software; and copy any Umpqua Software actually delivered to Customer solely for archival or backup purposes.

Customer shall not export, re-export or otherwise transfer, directly or indirectly, any Umpqua Software and/or equipment, or any portion thereof, to any location inside or outside the United States without first notifying Umpqua and receiving written Umpqua authorization, as well as complying with all applicable laws and regulations (including those regarding import, export, marketing, distribution or use of software or equipment).

Customer will, at its expense, promptly execute and deliver such further documents and take any and all other actions reasonably requested by Umpqua from time to time, for the purpose of fully effectuating the intent and purposes of the license granted, and to protect the interests of Umpqua, its licensors, and their respective successors and assignees.

Customer acknowledges that violation of its commitments regarding any Umpqua Software may cause irreparable injury to Umpqua and/or its licensors, and agrees that Umpqua shall be entitled to obtain temporary, preliminary, and permanent injunctive relief in a court of competent jurisdiction, without the necessity of proving actual damages or posting a bond, to prevent such violation.

Customer acknowledges and agrees that its license to Umpqua Software and its documentation will terminate upon the earlier to occur of: (i) termination of the applicable Service, or (ii) termination of Umpqua's license to such software and documentation.

Customer shall not remove or alter any copyright, trademark, or other intellectual property or proprietary right notices, legends, symbols or labels appearing on or in the Umpqua Software, its documentation or any packaging thereof, and shall include on any copy of the software or its documentation any copyright, trademark, or other intellectual property or proprietary right notices contained on the original.

Customer will: (a) cooperate with Umpqua and its licensors to protect the Umpqua Software, including in connection with any lawsuits or disputes involving the Umpqua Software; (b) promptly notify Umpqua and provide Umpqua with relevant background and other facts upon becoming aware of any actual or potential claim made by a third party regarding infringement, misappropriation, imitation, illegal use or misuse, or reasonable likelihood thereof, of the Umpqua Software; and (c) in the event of any actual or potential infringement, misappropriation, imitation, illegal use or misuse, or reasonable likelihood thereof of the Umpqua Software by others: (i) grant to Umpqua and its licensors the sole right to determine the course of action regarding such infringement and to bring or defend any proceeding with respect thereto, and to settle, and collect any settlement amount or judgment for any such proceeding, and (ii) agree that Umpqua and its licensors shall be solely entitled to any proceeds of any such proceeding, including any settlement proceeds, insurance proceeds, arbitration award, judgment, or other consideration in any form.

Customer hereby assigns to Umpqua and/or its licensors, as directed by Umpqua, any rights, including any patent, copyright, trademarks, Service marks and trade secrets, which Customer may now have or which it may acquire at any time in the future in or to the Umpqua Software or the intellectual property rights to such software, and any other computer code using any of such software.

Customer will not at any time, either directly or indirectly, put to issue the scope, validity or ownership of Umpqua's or its licensors' intellectual property rights in the Umpqua Software and its documentation; do any act which could reasonably be expected to impair the scope, validity or ownership of such intellectual property rights, or assert any ownership rights to the Umpqua Software or its documentation. Customer acknowledges and agrees that these Terms and Conditions do not grant or convey to Customer: an interest in or to the Umpqua Software or its documentation, but only a limited right of use, revocable in accordance with the terms hereof; or any right, title, interest or license in or to any copyright, patent, trade name, trademark or Service mark of Umpqua or its licensors.

Customer will establish reasonable precautions and use commercially reasonable efforts, no less rigorous than those Customer uses to protect its own confidential information, to protect and maintain the confidentiality and security of the Umpqua Software and its documentation. Without limiting the generality of the foregoing, Customer will use reasonable measures to protect the Umpqua Software and its documentation from unauthorized copying, dissemination, disclosure or other unauthorized use.

Customer will not, and will not permit any third party to, copy or use the Umpqua Software or its documentation except as expressly authorized by these Terms & Conditions, sublicense, rent, distribute, transfer, publish, disclose, display or otherwise make available the Umpqua Software to others; use the Umpqua Software or its documentation for third-party training, commercial time-sharing or Service bureau use; or alter, change, modify or otherwise create derivative works of the Umpqua Software or its documentation.

Customer will not, and will not permit any third party to, reverse engineer, disassemble or decompile any Umpqua Software, except to the extent expressly permitted by applicable law. If Customer intends or begins to take any such action based on any applicable law, Customer shall notify Umpqua and Umpqua shall have the right to immediately terminate Services and/or the license to the Umpqua Software or its documentation.

Customer will maintain a complete and accurate list of all locations where Customer has loaded and maintains the Umpqua Software and its documentation and make such lists available to Umpqua upon Umpqua's request.

Customer acknowledges and agrees that all right, title and interest in and to the Umpqua Software and its documentation, together with any modifications, enhancements and derivative works, and all intellectual property rights such as copyrights, patents, trademarks and trade secrets, pertaining to the Umpqua Software and its documentation, are and shall remain owned exclusively throughout the universe by Umpqua and its licensors, represent or contain valuable rights of Umpqua and its licensors, and are protected under United States patent, copyright, trademark and trade secret laws of general applicability. These Terms and Conditions do not create in Customer any rights to, and do not constitute an assignment of any rights of Umpqua or its licensors in and to, any copyrights, trademarks, trade secrets, patents, or other intellectual property rights of Umpqua or such licensors. Other than the license provided in these Terms & Conditions, no other license or interest in the Umpqua Software or its documentation, express or implied, is granted under these Terms & Conditions.

Customer will install the Umpqua Software in accordance with the related documentation provided by Umpqua, and will install and implement any changes and upgrades to the Umpqua Software as Umpqua may require, within 90 days of receipt of such change or upgrade, or within such shorter time frame as Umpqua may reasonably require if such change or upgrade is necessary to comply with statutory or regulatory changes or developments, or to protect the integrity and security of Services.

Spyware, Firewall, & Antivirus Protection

Customer shall secure all of its computers that are to be used in connection with Services hereunder, or which are connected on any network with any such computers. Such protection must include, without limitation, utilizing a computer firewall and running anti-virus and anti-spyware software. Customer may use any commercially available,

industry recognized firewall, and any commercially available, industry recognized antivirus and anti-spyware software that detect and disinfect viruses and neutralize spyware automatically, without the need for Customer to prompt the scanning of files. Customer shall update its antivirus and anti-spyware software on a regular basis and in no event less often than once every month.

Service Unavailability

Access to Services may be unavailable without notice at certain times for reasons including the following:

- **Scheduled Maintenance:** there may be periods when Services and/or related systems are undergoing maintenance or upgrades. These typically occur after business hours.
- **Unscheduled Maintenance:** Services and/or related systems may be unavailable when unforeseen maintenance is necessary.
- **System events,** such as earthquakes, fires, floods, technical failures, telecommunications and internet Service provider disruptions, or electrical outages, may interrupt Service availability.

Although Umpqua will undertake reasonable efforts to promote the availability of Service, Umpqua will not be liable in any way for any unavailability or for any damage that may result from such unavailability.

Solicitation of Online Credentials

Umpqua is not now conducting, nor do we ever conduct, any email, phone, SMS text, or Internet-based requests for Customers to supply their online Credentials for any accounts. Customer shall never reveal Credentials online to any individual, including to Umpqua employees.

Accounts at Other Banks

Customer authorizes any other institutions at which Customer maintains accounts which Customer has designated as being involved in Services to be provided hereunder to release all of such account information to Umpqua.

Telephone Recording

Customer consents on behalf of itself and its agents that Umpqua may monitor and record telephone conversations in which Umpqua is a party at any time without further notice to the other parties to such conversations. The decision to record any such conversation shall be solely at Umpqua's sole discretion, and Umpqua shall have no liability for monitoring or recording or for failing to do so.

Transactions on Non-Business Days/Cutoff Times

Transactions, deposits, payment orders, entries or other requests by Customer received by Umpqua on a non-Business Day or after cutoff deadlines established by Umpqua, in its sole discretion, may be treated by Umpqua as received on the next Business Day. Umpqua may change any cutoff time or other deadline at any time. Umpqua will make a reasonable effort to notify Customer of any changes in advance.

Customer-initiated Transactions and Instructions

Umpqua will honor Customer's transactions and instructions (including adjustments, amendments and cancellations) only when Customer has complied with the TMS Agreement. Umpqua will be under no obligation to honor, either in whole or in part, any transaction or instruction that:

- Exceeds Customer's collected or available funds, on deposit with Umpqua, available through overdraft protection (available through Online Banking only), or otherwise;
- Umpqua has reason to believe may not be authorized by Customer;
- Involves funds subject to a hold, dispute or legal process preventing their withdrawal;
- Violates any law or regulation, or
- Umpqua has reasonable cause not to honor, for the protection of either Umpqua or Customer, or on any other good faith grounds.

Umpqua may elect, at its sole discretion, but shall not be obligated, to verify the authenticity or content of any instruction, transmission, or requested transaction by placing a call or electronic communication to any Authorized User or to any other person designated by Customer for such purpose, or by any other means in Umpqua's sole discretion. Umpqua may deny access to any Services or deny the processing of any instruction, transmission, or requested transaction without prior notice if Umpqua is unable to confirm to its satisfaction any such authenticity or

content or if Umpqua believes such denial is appropriate for security reasons or on other good faith grounds, all in Umpqua's sole discretion and without any liability to Umpqua in relation to such denial.

Customer Records

The TMS Agreement and the performance of Service by Umpqua shall not relieve Customer of any obligation imposed by law or contract regarding the maintenance of records or from employing adequate audit, accounting and review practices as are customarily followed by similar businesses. Customer shall make reasonable efforts to retain and provide to Umpqua, upon request, all information necessary to remake or reconstruct any deposit, transmission, file or entry for thirty (30) days following receipt by Umpqua of the deposit, file, entry, transmission or other order affecting an account.

Review Period

Customer agrees to regularly and promptly review and verify all statements, reports, Check payment records, wire transfer instructions, confirmations, adjustments, charges, and other transactions. Customer shall, within a reasonable time, which in no event shall be greater than thirty (30) calendar days following the day Umpqua first mails or otherwise makes data available to Customer ("Review Period"), notify Umpqua of any error or discrepancy between Customer's records and any information Umpqua provides to Customer about its accounts or transactions (e.g., in a statement, confirmation, or electronic report) or any transaction or transfer Customer believes was not authorized. If Customer fails to notify Umpqua of such unauthorized transaction within the Review Period, Customer agrees that the failure to report any such errors or unauthorized transactions shall relieve Umpqua of any liability for the unreported erroneous or unauthorized transaction. In accordance with NACHA Rules, Customer must report an unauthorized ACH debit entry to Customer's account by the established deadline on the Business Day following the settlement date of the unauthorized entry. Otherwise, Customer's sole recourse is to the originator of the transaction.

Training

Customer will be responsible for training its Authorized Users in the use of the applicable Services, and for supervising and auditing such use.

Indemnity of Umpqua by Customer

Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to (a) the wrongful acts or omissions of Customer (b) breach by Customer of any provision, representation or warranty of the TMS Agreement, Account Agreement, or other agreement between Customer and Umpqua, (c) the negligence or willful misconduct (whether by act or omission) of Customer, (d) any misuse of any Services by Customer, (e) any modifications made by Customer to any Umpqua-supplied hardware or software, (f) Customer's failure to comply with applicable laws and regulations, or (g) any act or omission of Umpqua that is in accordance with the TMS Agreement or instructions from Customer. With respect to the foregoing, and with respect to all other indemnification and hold harmless provisions of the TMS Agreement, of any Account Agreement, and of any other agreements between Customer and Umpqua: (a) the indemnification and hold harmless provided to Umpqua shall be deemed to also provide such indemnification and hold harmless protections to Umpqua's subsidiaries, affiliates, licensors, subcontractors, and vendors (i.e. providers of Services to Umpqua), and the directors, officers, employees, owners, legal representatives, and agents of Umpqua, of Umpqua's subsidiaries and affiliates, and of Umpqua's licensors, subcontractors, and vendors.

Limitation of Umpqua's Liability

Umpqua's liability to Customer for any Losses and Liabilities suffered by Customer arising from or in connection with any Service, or otherwise arising under or in connection with this Agreement, shall be limited to willful misconduct or gross negligence by Umpqua and to the lesser of:

- Customer's actual loss;
- The total amounts paid by Customer to Umpqua for fees and charges for the Service resulting in the liability in the three (3) month period preceding the date the claim accrued; or
- Such lesser amount as may be set forth in these Terms and Conditions or any Service User Documentation.

UMPQUA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN LAW OR IN FACT, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, EITHER TO CUSTOMER OR TO ANY OTHER PARTY WITH RESPECT TO THE SERVICES PROVIDED BY UMPQUA OR WITH RESPECT TO SOFTWARE PRODUCTS PROVIDED, OR MADE AVAILABLE TO THE CUSTOMER FOR ITS USE IN CONNECTION WITH THIS AGREEMENT AND ANY SERVICE.

Subject to the foregoing, Umpqua's liability relating to any Service shall be limited exclusively to actual proven damages arising directly from Umpqua's own gross negligence or willful misconduct. IN NO EVENT WILL UMPQUA OR ANY PROVIDER BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR

SIMILAR LOSSES OR DAMAGES, WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, WHETHER THE LIKELIHOOD OF SUCH LOSSES OR DAMAGES WAS KNOWN TO UMPQUA OR ANY PROVIDER, AND REGARDLESS OF THE FORM OF THE CLAIM OR ACTION (INCLUDING ANY CLAIM OR ACTION ALLEGING GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FAILURE TO EXERCISE REASONABLE CARE OR FAILURE TO ACT IN GOOD FAITH). In addition:

- Umpqua's maximum liability for loss of interest shall be calculated using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved.
- Notwithstanding the foregoing, Umpqua shall not be liable for any Losses and Liabilities caused, directly or indirectly, in whole or in part, (i) by the action or inaction of Customer, or of any agent or employee of Customer, whether or not such action or inaction constitutes negligence or a breach of this Agreement. (ii) by any inaccuracy or incompleteness in the input of any instruction or other communication by Customer; or (iii) by any modification, change or cancellation (or attempted modification, change or cancellation) by Customer of an Instruction.
- Umpqua shall not be liable for any Losses and Liabilities or delay caused by accident, strike, fire, flood, war, riot, act of terrorism, equipment breakdown, electrical or mechanical failure, acts of nature, legal constraint, interruption of transmission or communication facilities, pandemic event (which includes the fear of contracting an illness), emergency conditions or other act of God, or any other cause which is attributable to a third party and is reasonably unavoidable or beyond Umpqua's reasonable control.
- Umpqua's Third-Party Service Providers are expressly recognized as third-party beneficiaries.

Customer agrees that the fees charged for the performance of the Services shall be deemed to have been established in contemplation of these limitations of liability. Customer acknowledges that the reconstruction of events causing Customer to sustain damages becomes difficult and may be inaccurate more than one (1) year following the occurrence of such events. Therefore, Customer agrees that any claim, action, suit or proceeding against Umpqua for damages resulting in any respect from its acts or omissions in the performance of the Services must be brought within one (1) year from the date of Umpqua's alleged act or omission and Customer shall have no right to bring any such claim thereafter. However, if Oregon law does not allow time-barring of claims despite statute of limitations, then all claims, actions, suits or proceedings against Umpqua shall be brought within the shortest period of time which Oregon's laws allow for agreements limiting periods of time for the filing of suits. Customer agrees to immediately notify Umpqua of any claim by Customer, or any claim that is made to Customer by a third party that any act or omission by Umpqua in connection with any Service that has caused Customer or such third party to sustain any damages.

Customer agrees that in addition to other limitations on Umpqua's liability herein, Umpqua will not be liable for any Losses and Liabilities arising, directly or indirectly, in whole or in part from the following:

- Any inaccuracy or incompleteness in the input of any Communication by Customer;
- Any failure by Customer to obtain a confirmation of an order or instruction; or
- Any cancellation or attempted cancellation by Customer of an order or instruction.

Subject to the requirements of Section 624 of the Fair Credit Reporting Act, Customer authorizes Umpqua to share information with Umpqua's affiliates about Customer's accounts or Services for regulatory compliance, credit decision-making and administrative purposes and to facilitate the marketing of other Umpqua products or Services.

Customer acknowledges that Umpqua's agreement to provide Services based on the applicable fees shall be deemed to have been made in reliance upon all the terms of the TMS Agreement, including in particular the foregoing limitation of liability.

Warranty Disclaimer

The TMS Agreement is a Service agreement. OTHER THAN ANY EXPRESS REPRESENTATIONS AND WARRANTIES THAT MAY BE MADE IN WRITING BY UMPQUA NOW OR IN THE FUTURE, UMPQUA DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, MADE TO CUSTOMER OR TO ANY OTHER PERSON OR ENTITY, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES REGARDING QUALITY, SUITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, FREEDOM FROM ERROR, TIMELINESS, OR NON-INTERRUPTION OF SERVICE, OR ANY IMPLIED WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, USAGE OF TRADE, OR OTHERWISE REGARDING ANY SERVICES OR ANY GOODS PROVIDED INCIDENTAL TO THE SERVICES.

Imputation

Customer shall be responsible, for all purposes, for the acts and omissions of: (a) all of Customer's employees and agents, and (b) any other persons who gain access to Services through the use of: (i) information received from Customer or from any of Customer's employees, subcontractors, or agents, or (ii) any telecommunication or computer systems of Customer or of any of Customer's employees, subcontractors, or agents. All of the acts and omissions described in the foregoing shall be imputed to Customer.

Dispute Resolution

All disputes, claims and controversies between the parties, whether individual, joint or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be resolved by arbitration in accordance with the then effective arbitration rules of (and by filing a claim with) Arbitration Service of Portland, Inc., and judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. Nothing herein shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation and enforcement of this arbitration provision. Any arbitration hearing shall be held in Portland, Oregon, as selected by Umpqua in its sole discretion.

UMPQUA AND CUSTOMER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS AGREEMENT OR THE SERVICES OFFERED OR PROVIDED HEREUNDER.

Governing Law and Jurisdiction.

This Agreement and its interpretation and enforcement shall be governed by the laws of the State of Oregon (to the extent not preempted by federal law), and the copyright, patent, and trademark laws of the United States. Customer and Umpqua hereby consent and submit to the exclusive jurisdiction of any Oregon district federal court or any Oregon state court with respect to any litigation or arbitration arising out of or relating to this Agreement or its terms. This Agreement shall be deemed approved and made in the State of Oregon. Any judgment or order given by the courts located in the State of Oregon may be entered and docketed in any court where the Customer or Umpqua may be found for the purposes of enforcement of any such judgment.

Attorney's Fees

In the event of a dispute arising out of or relating to this Agreement, or in the event that arbitration, suit, or action is instituted to enforce or interpret the terms of this Agreement, the prevailing party in such arbitration, suit, or action, or on any appeal of such arbitration, suit, or action, shall be entitled to an award of his costs, disbursements, arbitration fees and reasonable attorney fees (including the fees of Umpqua's in-house attorneys calculated at hourly rates charged by attorneys in private practice with comparable skill and experience), as set by the arbitrator, trial court, or appellate court in which the matter is heard or decided, including reasonable attorney fees and the anticipated cost of collection of any judgment.

Adverse Claims

If Umpqua receives an adverse claim against any account, and Umpqua believes in its sole discretion that Umpqua will not be protected if the claim is ignored, Umpqua may place a hold on the account and Umpqua shall have no liability regarding such hold (including for dishonored transactions due to the hold or for Customer's inability to use the account), and Customer shall reimburse Umpqua all costs, including attorney fees, incurred due to such adverse claim.

Relationship Between Parties

The TMS Agreement will not be construed as creating an agency, partnership, joint venture, or any other form of association or fiduciary relationship between the parties. Except as expressly agreed by the parties in writing, neither party will have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever.

Third Party Service Providers**1. Third Party Networks**

Some Services are provided by Umpqua through access to a third-party network. Such Services are dependent upon the availability of the third-party network on conditions acceptable to Umpqua. Umpqua reserves the right to discontinue Services or provide Services through an alternative third-party network and shall have no liability if the original or any replacement network becomes unavailable. Umpqua does not warrant and shall not be responsible for Services received by Customer from or through any third-party network.

2. Third Party Vendors

Some Services and/or computer equipment and software are provided to Customer by a third-party vendor selected by Customer who is unaffiliated with Umpqua. In those cases, the third-party vendor is acting as Customer's agent rather than Umpqua's agent, and Customer agrees to be bound by and responsible for such third party's acts and omissions to the same effect as if Customer had engaged in such acts and omissions. Umpqua does not warrant and shall not be responsible for Services provided by unaffiliated third-party vendors. Customer authorizes Umpqua to disclose to any third-party vendor information concerning Customer to the extent required to deliver the requested Service.

Force Majeure

No party shall be liable for any default or delay in the performance of its obligations or otherwise under the TMS Agreement if and to the extent such default or delay is caused, directly or indirectly, by: (i) fire, flood, elements of nature, or acts of God; (ii) any outbreak or escalation of hostilities, war, riot, terrorist act, or civil disorders in any country; (iii) any act or omission of the other party or any government authority; or (iv) failures or fluctuations in telecommunications or other equipment. In any such event, the non-performing party shall be excused from any further performance and observance of the obligations so affected only for as long as such circumstances prevail and such party continues to use commercially reasonable efforts to recommence performance or observance as soon as practicable. Notwithstanding the foregoing, nothing shall affect your payment obligations for Services we provide to you before such default or delay in the performance of our obligations under the TMS Agreement. Umpqua shall have no responsibility for transmitting Entries that would result in Umpqua: (a) exceeding its limitation on intra-day net funds position established by the Federal Reserve System; or (b) otherwise violating any provision of any present or future risk control program of the Federal Reserve System or any law or regulation of any other governmental or regulatory authority.

Notices

All written notices to Umpqua shall be delivered or mailed to the address designated by Umpqua. Notices sent to Customer shall be sent to Customer's current lead account address or other known address if deemed more appropriate by Umpqua in its sole discretion under the circumstances. Notices may be delivered to Customers electronically or by phone in Umpqua's sole discretion.

Severability

If any provision of the TMS Agreement is held to be invalid, illegal or unenforceable, such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without rendering invalid, illegal or unenforceable the remainder of any such provision or the rest of the TMS Agreement, and such provision shall be deemed modified so as to make it valid, legal and enforceable in the manner as best advances the spirit of the TMS Agreement.

Waiver

Except as otherwise provided in the TMS Agreement, no part of the TMS Agreement or any breach thereof may be waived unless through a writing signed by the party against whom such waiver is to be enforced.

Assignment

Umpqua may at any time assign or delegate any or all its rights or obligations under the TMS Agreement to any other person or entity. Customer may not assign or delegate any or all its rights or obligations under the TMS Agreement to any other person or entity without Umpqua's written consent.

Amendments

Except as otherwise provided in the TMS Agreement, the TMS Agreement may not be amended except by a writing signed by the party against whom such amendment is to be enforced. Except as otherwise provided to the contrary elsewhere in the TMS Agreement, the TMS Agreement may be amended by Umpqua from time to time upon thirty (30) days notice to Customer and any such amendment shall be effective on the effective date specified in the notice to Customer. Notices may be delivered to Customers electronically in Umpqua's sole discretion

Survival

All indemnities, limitations of liability, and remedy exclusions provided in the TMS Agreement shall survive the expiration or termination of the TMS Agreement.

Compliance with Laws

Customer will comply with all applicable laws, rules and regulations

Construction

The captions contained in the TMS Agreement are for the convenience of the parties and shall not be construed or interpreted to limit or otherwise define the scope of the TMS Agreement. The word "including" shall mean "including, but not limited to." The rule of construing ambiguities against the drafter shall not apply.

Counterparts

Any agreement or other document regarding any Services hereunder may be executed in one or more counterparts (by handwritten signature or electronically), each of which shall be deemed to be an original, such all of which shall constitute one and the same instrument.

Termination

Unless otherwise expressly stated in the Service-specific section of these Terms & Conditions, Services may be terminated by either party upon 30 days' prior written notice to the other party. Umpqua may also immediately terminate or suspend any or all Service without notice to Customer and without any liability to Umpqua if any of the following occurs: (a) Customer becomes insolvent or files, or has filed against it, any bankruptcy or other insolvency, reorganization, liquidation, receivership, dissolution, or like proceeding; (b) a material adverse change occurs in Customer's business or financial condition; (c) Umpqua has reason to believe that Customer has engaged in fraudulent or illegal activity; (d) Customer fails to maintain balances in accounts, or access to other funds through overdraft protection, sufficient to cover overdrafts; (e) Customer breaches any warranty, representation, or covenant of the TMS Agreement or any other agreement or arrangement with Umpqua, or if Umpqua determines, in Umpqua's sole discretion, that Customer has abused its privileges under the TMS Agreement; (f) Customer fails to provide financial information reasonably requested by Umpqua; (g) Umpqua determines it is impractical or illegal to provide any Service; or (h) Umpqua, in good faith, is unable to satisfy itself that any Service has been properly authorized by Customer. Umpqua shall also have the additional termination rights provided throughout the TMS Agreement. Whenever Umpqua has a right to terminate any Service (whether under the TMS Agreement or otherwise), Umpqua may terminate that and any or all other Services in its sole discretion without any liability to Umpqua. Notwithstanding any termination, the TMS Agreement and all other applicable agreements shall apply to all transactions which were initiated before termination.

Terms & Conditions

Applicable to specific Treasury Management Services

Account Reconciliation Services

Umpqua's full, partial and deposit reconciliation Services (the "Account Reconciliation Services") are available through Business Online Banking to help manage the credit and debit activity in your account(s). Detailed information regarding such Account Reconciliation Services is available in the applicable User Documentation.

Your use of Account Reconciliation Services does not affect any of your obligations which are described in the applicable Account Agreement, to discover and report with respect to your account(s) any: (i) unauthorized signatures, alterations or endorsements on checks and (ii) unauthorized requests and other discrepancies. Your use of these Account Reconciliation Services or our receipt of information associated with these Account Reconciliation Services does not modify any existing Umpqua obligations with respect to your account(s) or the payment of checks.

Automated Clearing House (ACH)

1. General Terms and Compliance

Customer may initiate credit or debit Automated Clearing House transactions for payments (Credit Entries) and/or collections (Debit Entries) on Business Days to Customer's accounts or the accounts of others ("Receivers"). Umpqua will act as an ODFI regarding such Entries. Umpqua may process Entries directly, through an ACH Operator, or through another mechanism selected by Umpqua. Customer shall not initiate any Entry in violation of NACHA Rules or any applicable law or regulation, including Regulation E promulgated by the Federal Reserve Board and regulations promulgated by OFAC. A copy of the Corporate Edition of the NACHA Rules can be purchased from NACHA at www.NACHA.org. Customer agrees to obtain a copy, to understand and be familiar with the NACHA Rules, and to be responsible for keeping up to date with changes in the NACHA Rules.

Customer agrees that information or advice received by Customer from Umpqua as to the NACHA Rules (including Part III A, B or C) or the operation of the NACHA Rules is not legal advice and is not a substitute for Customer's obligation independently to understand and comply with the NACHA Rules. If any provision of this TMS Agreement is inconsistent with the NACHA Rules, Customer shall comply with any applicable NACHA Rule(s) to the extent of the inconsistency and shall immediately notify Umpqua of that fact.

2. Entry Origination / Processing Dates / Deadlines

Customer's Entries must be initiated in the manner and format specified by Umpqua. Umpqua will establish a deadline for the receipt of Entries from Customer. Umpqua may establish different deadlines for Entries depending on the method of delivery employed by Customer and all such deadlines are subject to change by Umpqua. Umpqua must receive Customer's Entries before the applicable deadline or else they will not be processed until the next Business Day. Entries with Settlement Dates of more than thirty (30) calendar days from receipt will not be processed unless agreed to by Umpqua in writing.

Customer may not originate Entries using Standard Entry Class Codes other than CCD, CTX and PPD without prior written notice to and approval by Bank. Bank may require an application in form and content acceptable to Bank, and execution by Customer of such supplemental schedules, agreements and other documents as Bank may require, as a condition precedent to Customer's use of other Standard Entry Class Codes. By way of example, the foregoing restrictions and requirements may apply to Customer's use of Represented Check Entry (RCK), Automated Enrollment Entry (ENR), Accounts Receivable Entry (ARC), Back Office Conversion Entry (BOC), Customer Initiated Entry (CIE), Point-of-Purchase (POP), Internet-Initiated Web (WEB), International ACH Transactions (IAT), or Telephone-Initiated Entry (TEL) Standard Class Codes. If Customer is originating same day Entries, Customer will not submit Entries with the same Effective Entry Date, to any single transit routing and account number exceeding \$25,000.00. If Entries exceed \$25,000.00 to any account, the Entries will be converted to next available Business Day settlement.

3. Content

In submitting any Entry, Customer shall be responsible for providing all information required by Umpqua. Customer bears sole responsibility to verify that the information in Entries is authentic, accurate and conforms to NACHA Rules. Services hereunder are only designed to respond to information provided by Customer. Accordingly, any error (including any inaccuracy or incompleteness) or non-compliance in any information provided by Customer may result in payment or collection other than as intended by Customer. Umpqua shall bear no responsibility for detecting or reporting any error or non-compliance in any Entry or in any information otherwise supplied by Customer, and Umpqua shall not be liable to Customer or any third party for any such error or non-compliance.

4. Transmittal of Entries by Customer

Customer shall deliver to Umpqua via online Banking unless otherwise approved by Umpqua, in a format specified by Umpqua, an electronic transmission containing the names of all Receivers and their associated RDFIs, RDFI routing numbers, Receiver RDFI account numbers, and amounts to be credited to or debited from each account.

The total dollar amount of Customer's Entries shall not exceed the applicable limits as Umpqua may establish from time to time. Such limits may vary depending on various factors, including: (a) whether the Entries are credit or debit Entries; (b) the Standard Entry Class Code (as defined by the NACHA Rules) for the Entries; and (c) whether Customer's account is required to be pre-funded. Limits may be established for daily amounts and across other time lines. Limits may be amended, reduced, modified or otherwise changed

at any time, with or without cause or prior notice to Customer. Limits, and any changes to them, will be communicated by Umpqua to Customer via a communication, which may be electronic or paper.

5. Processing, Transmittal and Settlement by Umpqua

Provided Customer complies with the TMS Agreement, including the transmittal requirements of Section 4 above, Umpqua shall: (i) process Entries received from Customer that comply with NACHA Rules, (ii) transmit such Entries as an ODFI to the ACH Operator, (iii) settle such Entries as provided in NACHA Rules, and (iv) credit or debit the Receiver's account in the amount of such Entry on the Effective Entry Date. Umpqua shall transmit such Entries to the ACH Operator on or before one Business Day before the Effective Entry Date shown in such Entries, provided that the Effective Entry Date is at least one day after such Business Day, and the ACH Operator is accepting Entries on such Business Day. Entries shall be deemed received by Umpqua when the transmission is made in accordance with the TMS Agreement. Umpqua will not be liable for any acts or omissions of any third parties involved in the processing of Entries, including the ACH Operator.

6. Settlement

Customer shall pay Umpqua the amount of each Credit Entry transmitted by Umpqua. Customer shall reimburse Umpqua the amount of each Debit Entry that has been returned by an RDFI. Payment of Credit Entries shall be made as of the Settlement Date. Customer authorizes Umpqua to debit the accounts at the opening of business on the applicable Settlement Date in the amount of each Entry. Umpqua may, without prior notice or demand, obtain payment of any amount due and payable to it under the TMS Agreement by debiting the accounts, and shall credit the accounts for any amount received by Umpqua by reason of the return of an Entry transmitted by Umpqua for which Umpqua has previously received payment from Customer. Customer shall at all times maintain a balance of available funds in the accounts sufficient to cover Customer's obligations under the TMS Agreement. If there are insufficient available funds in the accounts to cover Customer's obligations under the TMS Agreement, Umpqua may: (a) debit any account that Customer has at Umpqua; or (b) set off against any amount it owes to Customer. Customer acknowledges that, under NACHA Rules, payment of an Entry by an RDFI to the Receiver is provisional until receipt by the RDFI of final settlement for such Entry. If such final settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited and Customer shall not be deemed to have paid the Receiver the amount of the Entry.

7. Settlement Account

Unless otherwise permitted by Umpqua in writing, at Umpqua's sole discretion, Customer must maintain an account at Umpqua for ACH settlement.

8. Customer Representations and Warranties

As to each Entry, Customer represents and warrants that: (i) Customer is authorized to make the Entry on the Effective Entry Date; (ii) the Entry is valid and has been completed in accordance with all requirements of the TMS Agreement, including in compliance with NACHA Rules; (iii) Customer has sufficient collected, non-contingent funds in the account to accommodate the Entry; (iv) the Entry is not initiated for any personal, family or household purposes; (v) if the Entry is a Debit Entry, no third party has a defense, right of offset, or counterclaim against such Entry; and (vi) Customer shall allow the ODFI to audit its compliance with the NACHA Rules and the terms of this Agreement.

9. Authorized Entries

If an Entry received by Umpqua purports to have been transmitted or authorized by Customer, it will be deemed effective as Customer's Entry and Customer shall be obligated to pay Umpqua the amount of such Entry as provided herein even though the Entry was not authorized by Customer, provided Umpqua had no actual knowledge that the Entry was unauthorized by Customer. If Umpqua has actual knowledge that an Entry is unauthorized by Customer, but Umpqua has insufficient time to cancel such Entry, the Entry shall be deemed effective as Customer's Entry and Customer shall be obligated to pay Umpqua the amount of such Entry as provided herein. If an Entry received by Umpqua was transmitted or authorized by Customer, Customer shall be obligated to pay the amount of the Entry as provided herein, whether or not that Entry was erroneous in any respect.

10. ACH Redeposit Service

If requested by Customer, Umpqua may, but shall not be obligated to, reinitiate a Debit Entry returned for insufficient or uncollected Funds. Umpqua shall also have the right to reinitiate such an Entry absent such a Customer request.

11. International ACH Transactions (“IATs”)

Umpqua will facilitate IAT Credit or Debit Entries to Receivers located in foreign countries approved and facilitated by the ACH Operator. Customer acknowledges that the completion of Credit or Debit Entries to or through a foreign country may or may not occur and the results of such Entries may be different from those experienced through the domestic system and Customer accepts those risks. Customer specifically bears the risk for any fluctuation in foreign exchange rates and any fees that may be imposed in or by the foreign country. Customer also bears the risk of returned Entries for a period of twelve (12) months from the Settlement Date. Customer also agrees that IAT Entries may not be dishonored, reversed, or settled upon a specific date, and that the return of non-settled Entries from foreign countries are subject to the laws and regulations within that country and NACHA Rules.

Umpqua is not responsible for the transmission or settlement of Entries on foreign holidays or other days in which foreign countries may not process Entries. IAT Credit or Debit Entries are not eligible for same day ACH processing. Customer is responsible for complying with OFAC regulations regarding payments to and from individuals and entities.

12. Health Savings Accounts

If Customer is using the Services regarding employer contributions to Health Savings Accounts, Customer acknowledges that the use by the Customer of Entries containing certain identifying codes in discretionary data fields for purposes of identifying employer contributions to Health Savings Accounts will be acknowledged only when Umpqua: (a) has agreed to acknowledge such codes in writing; (b) has accepted the proposed codes in writing; and (c) is the Receiving Depository Financial Institution of the Entry at issue. Such codes shall have significance only to Umpqua and to the Customer, and shall have no significance when Umpqua is not the RDFI.

13. Pre-notification

To the extent required by NACHA Rules, Customer shall send pre-notification that it intends to initiate an Entry to a particular account in accordance with the procedures provided by NACHA Rules and by Umpqua. The pre-notification can be returned or result in a Notification of Change. If the pre-notification is returned, Customer shall research the problem and make any necessary corrections before transmitting another Entry. If the pre-notification results in a Notification of Change, Customer shall make the required change before initiating another Entry, or issue a Refused Notification of Change as outlined in NACHA Rules.

14. Prefunding ACH Entries

We generally debit your account on the Settlement Date for Credit Entries (including Debit Reversals), unless you are prefunding your Entries. “Prefunding” means that you are required to pay for all credit Entries before the settlement date as we may specify. We may, at our discretion, without prior notice to you, require Prefunding before we process your credit Entries. We are not obligated to process any credit Entries, even if we have done so in the past, without having first been paid by you, but, if we do, the amount is immediately due and payable without notice or demand.

Upon initiation of prefunded Entries, Umpqua is authorized to charge Customer’s account(s) in the total amount of such Entries. Funds received by Umpqua for this purpose shall be held in an account owned and controlled by Umpqua until the relevant Settlement Date. Customer acknowledges and agrees that such funds are held solely for the benefit of Umpqua and that Customer will not be entitled to earn any interest thereon.

15. Rejected, Returned, and Unauthorized Entries

Receiver authorizations shall authorize Umpqua to transmit corrective entries to Receiver’s accounts to correct a prior Entry and shall authorize Customer to release to Umpqua all information concerning its Receivers that is required by Umpqua to recover such Entries. Customer shall immediately cease initiating Entries upon receiving actual or constructive notice of the termination or revocation of a Receiver’s authorization. Customer will retain each authorization received by Customer for such period of time as may be required by NACHA Rules or applicable law or regulation and shall provide Umpqua with copies of such authorizations upon request. Umpqua may reject any Entry that is not initiated in accordance with the TMS Agreement. If an Entry is rejected, or returned by an ACH Operator, for any reason whatsoever, it shall be Customer’s responsibility to remake the Entry. Umpqua is authorized to debit or credit the account for Entries that are returned to Umpqua. Customer shall not be entitled to interest on the amount of any returned Entry debited from the account. A Receiver may, in some cases, have the right to have an unauthorized or erroneous Debit Entry credited to its account. Umpqua may deduct the amount owing to the Receiver from Customer’s account upon Umpqua’s receipt of proper notice of such crediting from the

Receiver. Umpqua may charge back against Customer any Debit Entry that is returned or reversed. Except for rejected Entries that are resubmitted to Umpqua in compliance with the TMS Agreement, Umpqua shall have no obligation to retransmit a rejected or returned Entry.

16. Cancellation, Amendment or Reversals by Customer

Customer shall have no right to cancel or amend any Entry after it is received by Umpqua. However, if Umpqua elects to act on a request by Customer to cancel or amend an Entry before transmitting it to the ACH Operator or, in the case of an On-Us Entry, before crediting a Receiver's account, Umpqua shall have no liability if such cancellation or amendment is not affected. Customer acknowledges that Umpqua will act upon or respond to any requested or attempted Entry reversals in accordance with NACHA Rules.

17. Inconsistency of Name and Account Number

If an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Umpqua to the RDFI might be made by the RDFI (or by Umpqua in the case of an On-Us Entry) on the basis of the account number even if it identifies a person or entity different from the named Receiver, and Customer's obligation to pay the amount of the Entry to Umpqua shall not be excused in such circumstances. Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to the processing by an RDFI of an Entry in which the Receiver is described inconsistently by name and account number.

18. Indemnification

Customer shall indemnify and hold Umpqua harmless against any NACHA or ACH Operator fines or fees and all Losses and Liabilities relating, directly or indirectly, to any breach of by Customer or by Customer's agents of the TMS Agreement (whether a breach of representation, warranty, or covenant), or relating to Customer's or Customer's agent's negligence or willful misconduct.

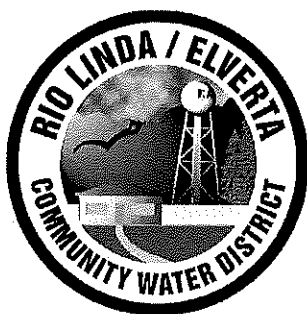
Automated Clearing House (ACH) Blocks

With the ACH Blocks Service, Customer will provide us with authorization criteria for ACH Entries Customer desires to receive for debit or credit to Customer's account. We will automatically return any Entry which does not meet Customer's authorization criteria. If ACH Blocks is terminated for any reason, we will no longer be obligated to monitor Entries against your authorization criteria.

1. ACH Blocks

Until such time as Customer has requested, in writing, that Umpqua remove a block on any ACH transaction, any person or entity identified by the Customer will not be permitted access to Customer's account for purposes of ACH transactions, whether debit or credit. Umpqua shall have no liability or other obligation to Customer regarding any refusal to honor or refusal to otherwise permit ACH transactions originated by any such persons. Customer understands and agrees that, as between Customer and Umpqua, it is Customer's sole responsibility to notify Umpqua, in writing, of any changes to the ACH transactions Customer has requested Umpqua to block and to not post, as either debits or credits, as the case maybe, to Customer's account.

Customer shall indemnify and hold Umpqua harmless against all Losses and Liabilities relating, directly or indirectly, to, Customer's use of the ACH Block Service, including any relating to delay in posting of credits to or debits from Customer's account, any losses, late fees, collection charges, holds on accounts, or loss of good will, or harm to Customer's reputation, with its suppliers, vendors, business partners, or other persons or entities.



61

Items for Discussion and Action
Agenda Item: 4.9

Date: April 15, 2019

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____ Paul Green:_____ Ridilla:_____ Harris:_____ Jason Green_____.

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



Information Items
Agenda Item: 5.1

Date: April 15, 2019

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

- a. Operations Report
- b. Conservation Report

RIO LINDA/ELVERTA C.W.D. 2019

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

63

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
35.3	31.1	35.1				
35,329,525	31,146,049	35,054,556				
July	August	Sept.	Oct.	Nov.	Dec.	
						101.50

		Monthly Total		
Gallons = Multiply M.G. by:	1,000,000	35,054,556	Gallons	101,530,130
Cubic Feet = Divide gallons by:	7.48	4,686,438	Cubic Feet	13,573,547
Hundred Cu Ft. = Divide cu. ft. by:	100	46,864	Hundred Cubic Feet	135,735
Acre Ft. = Divide gallons by:	325,829	107.59	Acre Ft.	312

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
2 (1)	1 (1)	2 (2)				
July	August	Sept.	Oct.	Nov.	Dec.	
						5

New Services

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

Distribution System Failures/Repairs

Deterioration March 1 thru 31	0		4
Damaged March 1 thru 31	1		1

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	16		42
Raw Water Bacteriological Samples (at Wells)	11		12

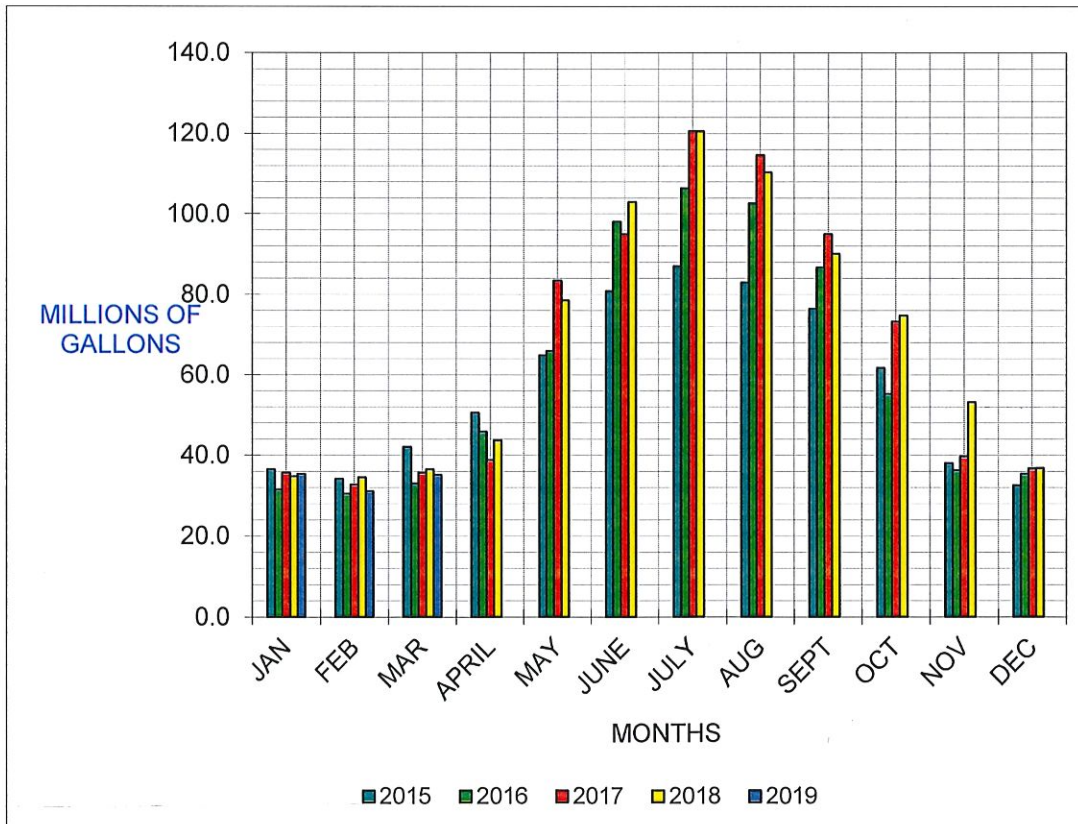
March 1, 2019 - March 31, 2019

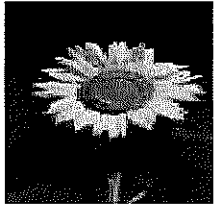
1 - Distribution leaks repaired by District staff, 0 - by Contractor or with contractor assistance.		
Work Orders Issued - 86	Work Orders Completed - 93	USA's Issued - 50
Change Out Meter - 51	Backflow Test - 1	
General Complaint - 2	Change Out Meter - 60	
Flow Test - 2	General Complaint - 2	
Get Current Read - 7	Flow Test - 3	
Repair/Replace Lid - 1	Get Current Read - 7	
Line Leak - 1	Line Leak - 1	
Possible Leak - 11	Possible Leak - 10	
Pressure Complaint - 2	Pressure Complaint - 2	
Re-Read Meter - 4	Re-Read Meter - 3	
Tag Property - 3	Tag Property - 3	
Turn On Service - 2	Turn On Service - 1	

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

2015 \ 2019

Month	Water Production in Million Gallons					Avg.	SSWD Water Purchases				
	2015	2016	2017	2018	2019		2015	2016	2017	2018	2019
JAN	36.5	31.5	35.6	34.8	35.3	34.7	0.0	0.0	0.0	0.0	0.0
FEB	34.1	30.5	32.7	34.5	31.1	32.6	0.0	0.0	0.0	0.0	0.0
MAR	42.0	33.0	35.6	36.5	35.1	36.4	0.0	0.0	0.0	0.0	
APRIL	50.5	45.8	38.8	43.7		44.7	0.0	0.0	0.0	0.0	
MAY	64.8	65.9	83.4	78.5		73.2	0.0	0.0	0.0	0.0	
JUNE	80.8	98.0	94.9	102.9		94.2	0.0	0.0	0.0	0.0	
JULY	87.0	106.4	120.5	120.5		108.6	0.0	0.0	0.0	0.0	
AUG	83.0	102.6	114.6	110.3		102.6	0.0	0.0	0.0	0.0	
SEPT	76.4	86.7	94.9	90.1		87.0	0.0	0.0	0.0	0.0	
OCT	61.7	55.2	73.2	74.7		66.2	0.0	0.0	0.0	0.0	
NOV	38.0	36.3	39.7	53.1		41.8	0.0	0.0	0.0	0.0	
DEC	32.5	35.4	36.7	36.8		35.4	0.0	0.0	0.0	0.0	
TOTAL	687.3	727.3	800.6	816.4	101.5	757.9	0.0	0.0	0.0	0.0	0.0





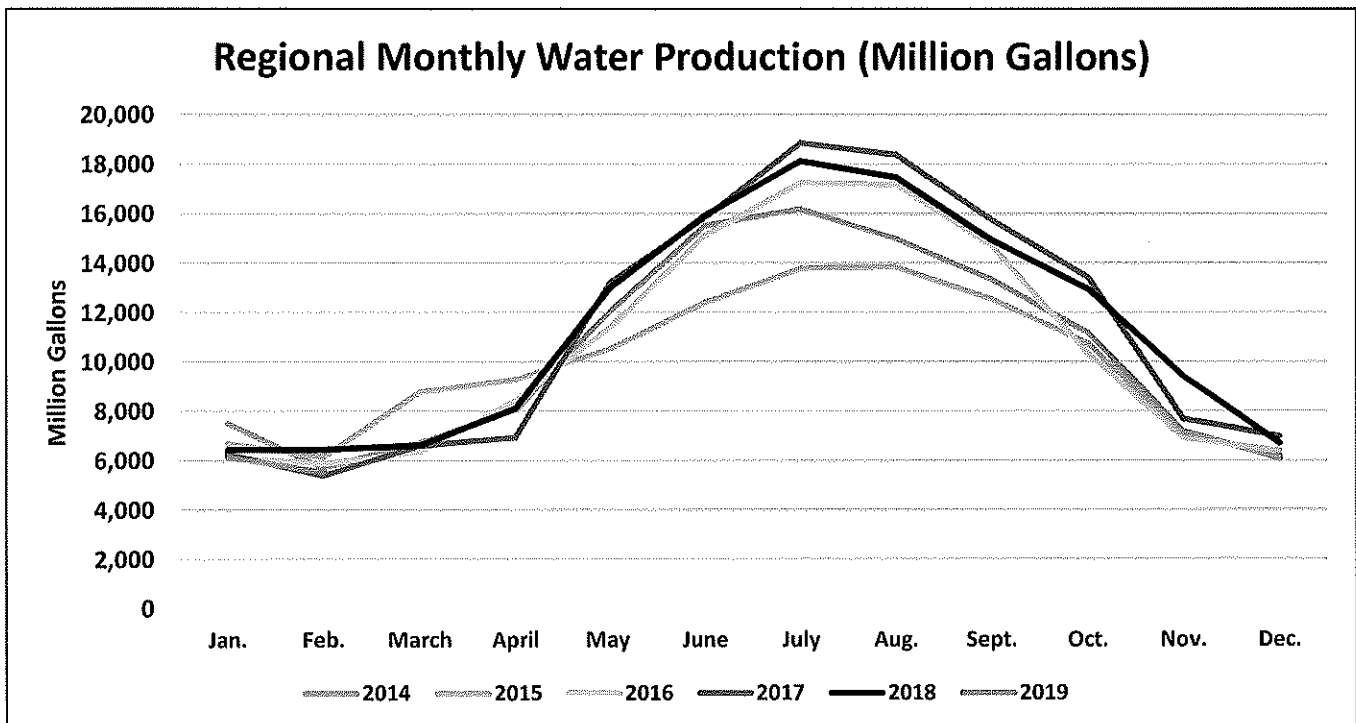
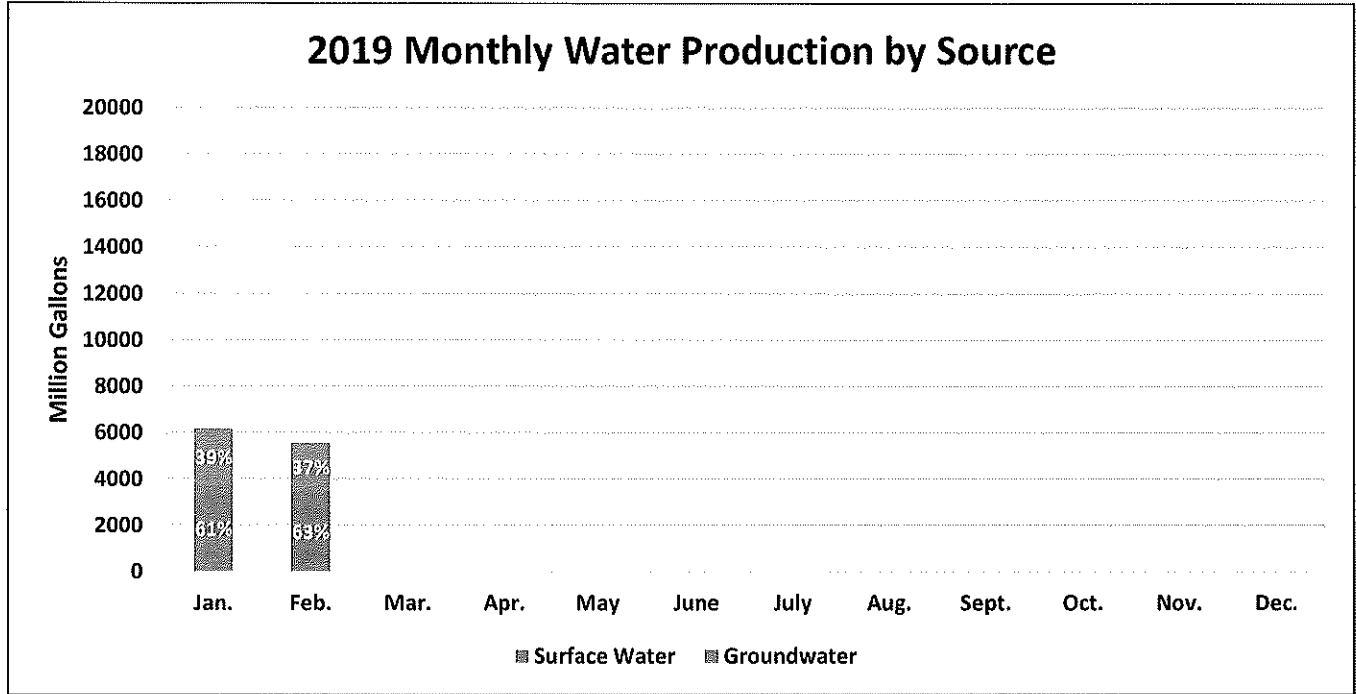
Conservation Report

March 2019

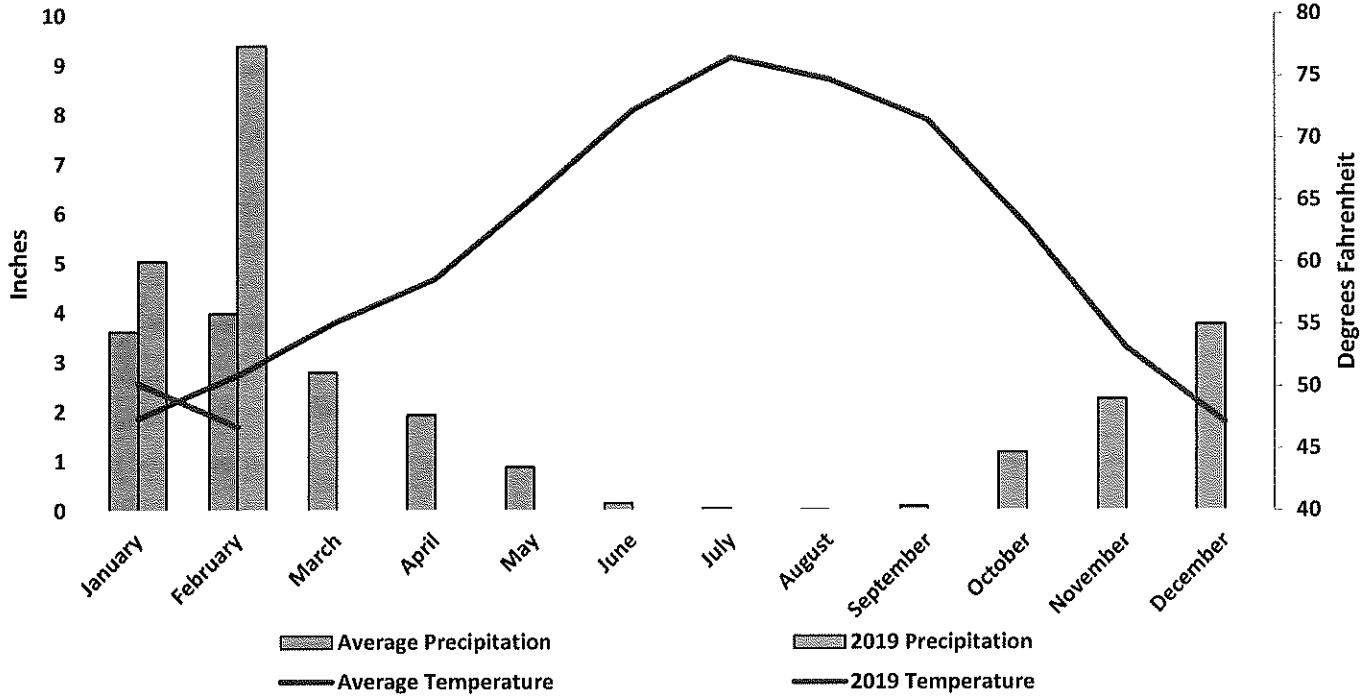


Supplies (kits):	Shower heads (0) Kitchen Aerators (0) Bathroom Aerators (0) Shower Timer (0) Nozzle (0) Toilet Tabs (4) Moisture Meters (0) Water Bottles (1) Toilet Tummy (0) Retro-Fit Kits (1) Welcome Kits (1) Kids Kit (0)
Water Waste (calls, emails, letter, leaks detected/fixed):	0 water waste call 26 contacts about possible leaks using the new AMI system - 18 were called, 4 were mailed, 4 were email 1 Conservation kits given and 0 additional dye tablets 9 were confirmed resolved as of 3/31/19
Water Schedule:	Given to customer with all violation letters and new applications
Surveys:	0
Rebates:	Toilets: 0 Washing Machines: 0
Workshops, Webinar, Meetings:	<ul style="list-style-type: none"> ● RWA- Water Spots Screening March 22nd ● RWEpac Meeting on March 12th
Fines:	NONE
Other Tasks:	<ul style="list-style-type: none"> ● Created the Newsletter ● Assisted with payments and new customers ● Printed stamps ● Closed accounts and final billed customers ● Created/completed work orders ● Studied for AWWA Water Efficiency Practitioner Exam ● Scanned and uploaded documents into UMS ● Mailed out application requests to new owners ● Entered ACH Forms into UMS

2019 Monthly Water Production by Source (Million Gallons)													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
SW	3,764	3,482	0	0	0	0	0	0	0	0	0	0	7,246
GW	2,410	2,077	0	0	0	0	0	0	0	0	0	0	4,487
Total	6,173	5,559	0	0	0	0	0	0	0	0	0	0	11,733



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



Water Agency	2019 Residential Gallons Per Capita Per Day (R-GPCD)											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
California American Water	61	59										
Carmichael Water District	84	80										
Citrus Heights Water District	76	72										
City of Davis	47	54										
City of Folsom	82	69										
City of Lincoln	72	61										
City of Roseville	62	62										
City of Sacramento	53	62										
City of West Sacramento	73	58										
City of Woodland	48	51										
City of Yuba City	68	67										
El Dorado Irrigation District	92	85										
Elk Grove Water District	52	55										
Fair Oaks Water District	75	69										
Golden State Water Company	79	73										
Orange Vale Water Company	80	79										
Placer County Water Agency	67	62										
Rancho Murieta CSD	83	79										
Rio Linda/Elverta CWD	75	73										
Sacramento County Water Agency	78	73										
Sacramento Suburban WD	63	52										
San Juan Water District	NR	NR										
Sacramento Regional Average	65	65										

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



Information Items Agenda Item: 5.2

Date: April 15, 2019

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

2. BOARD REPORTS

- a. Announce ad hoc committee(s) dissolved by requirements in Policy 2.01.065
- b. Regional Water Authority – Dills (Primary), Shaw
- c. Sacramento Groundwater Authority – Paul Green (Primary), Harris
- d. LAFCO – Paul Green
- e. Planning Committee – Dills, Harris
- f. Finance / Administrative Committee – Ridilla, Harris
- g. ACWA – Paul Green
- h. ACWA/JPIA – Paul Green
- i. Ad Hoc Committee's
 1. MOU Negotiations – Dills, Harris
 2. RWA Withdrawal Contemplation – Dills, Paul Green
- j. Other Reports, e.g. Harris/Ridilla attendance at SDRMA Spring Education Day

SACRAMENTO GROUNDWATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, April 11, 2019; 9:00 a.m.
5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

Agenda

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

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

1. CALL TO ORDER AND ROLL CALL

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

3. CONSENT CALENDAR

Minutes of February 14, 2019 meeting

Action: Approve February 14, 2019 meeting minutes

4. SGA FISCAL YEAR 2019 – 2020 BUDGET

Information Presentation and Discussion of FY 2019 – 2020 Budget

Action: Adopt Resolution No. 2019-01 to fund the administrative and program budgets for FY 2019 – 2020, and providing for the collection of said funds.

Action: Designate remaining FY19 program budget of approximately \$54,400 for the Sustainable Groundwater Management Act (SGMA) cost share.

Action: Move remaining approximate \$182,800 in designated funds from the FY19 program budget to the SGMA cost share.

Action: Designate \$6,050 in unused office move costs from FY18 to FY19.

5. CONTRACT FOR PROFESSIONAL AUDITING SERVICES

Information Update: Rob Swartz, Interim Executive Director

Action: Authorize the Interim Executive Director to contract with Gilbert and Associates to provide for professional auditing services for SGA's fiscal year 2019 audit. The contract shall not exceed \$27,500 for the FY 2019 audit.

6. SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) UPDATE

Information Update: Rob Swartz, Interim Executive Director

7. GROUNDWATER MANAGEMENT PROGRAM UPDATE

Information Presentation: Rob Swartz, Interim Executive Director

8. EXECUTIVE DIRECTOR'S REPORT

9. DIRECTORS' COMMENTS

ADJOURNMENT

Next SGA Board of Director's Meeting – June 13, 2019, 9:00 a.m. at the RWA/SGA office, 5620 Birdcage Street, Ste. 110, Citrus Heights.

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

APRIL 11, 2019

TO: SACRAMENTO GROUNDWATER AUTHORITY BOARD

FROM: ROB SWARTZ

RE: EXECUTIVE DIRECTOR'S REPORT

- a. **Legislative Update** – There are two bills in the legislature that address groundwater recharge. The first is AB 658 (E. Garcia), which is an extension of the work that SGA staff and ACWA has been engaged in to streamline a temporary (five-year) water rights permit for groundwater recharge. The second is AB 441 (Eggman), which would define groundwater recharge as a beneficial use.

The primary legislative issue for the water industry remains a water tax to fund safe drinking water in disadvantaged communities. It appears that most proposals have been introduced – a tax (budget trailer), a trust (SB 669), and a combination of the two (AB 217). AB 217 was recently introduced, and contains both a trust and a tax. The RWA is opposed unless the tax provisions are amended out of the bill. There are efforts toward develop of an additional non-tax option based on additional revenue coming to the state from new online sales taxes. RWA continues to work closely with the larger water industry on a non-water tax solution that addresses safe drinking water.

- b. **SGA Outreach** – Mr. Swartz has been invited to participate in a small group Public Policy Institute of California (PPIC) workshop on “Water Trading, Water Banking, and Sustainable Groundwater Management” on April 19 in Sacramento.
- c. **Executive Director Recruitment Process Update** – The deadline for applications was March 18, 2019. The consultant screened the candidates and presented results to the RWA Executive Committee on March 27, with interviews to be scheduled in late April.

April 5, 2019

RLECWD Planning and Project Committee Meeting

70

Meeting was opened at 2:09 pm by Director Dills

Public Comment: None

Present: RLECWD members present were G.M. Tim Shaw, Directors Mary Harris and Brent Dills.

Also Present: Mike Vasquez the District Engineer was available for planning, status reports, questions and answers.

1) Status update on the agreement with the Elverta Specific Plan owners to fund the District's processing costs:

The committee reviewed and discussed the agreement status. This issue had stalled for months and things have changed regarding the membership of the owners group. The owners group would like to begin building on groundwater but the District needs to take a longer term look at this including the provision and use of surface water.

Committee discussed resuming discussions. Has ESPOG began to help identify other sources of surface water? No.

2) Capacity Fee Agreement with Twin Rivers USD:

The committee reviewed the draft capacity agreement for Westside School presented by staff prior to a review by Legal Counsel. The charge will be for new service to a public parcel. The School District will pay the \$51,813.64 capacity fee for a new, 2-inch diameter connection.

Planning Committee recommends board approve at April 15, 2019 meeting.

3) Capital Improvement Plan status:

Mike Vasquez updated the committee. Will continue to speak about CIP, funding, priorities, etc. in future meetings with input from the engineer and operations superintendent, staff and the committee.

4) Discuss the need for a written policy on cooperating with community benefit non-profit organizations on event promotions:

Reviewed staff concerns about including information flyers from community benefit non-profit groups in the RLECWD mailing of bimonthly bills at zero cost to the District's ratepayers. Recommend this issue be explored further by the full board and consider contracting out the billing to avoid having to create a policy or continuing to have negative sensitivity and perception issues internally and externally in the future. This option may save the district time and money in the future.

5) Discuss the funding of and schedule for hexavalent chromium mitigation projects, e.g. Well #16 and Well #10.

Committee recommends district engineer to request current grant funds that are available at RWA for current district projects before the funds expire.

6) General status report from District Engineer:

General update. Requested schedule for Well #16.

Next Planning Committee meeting is Friday, May 3rd, 2019

Director Dills adjourned the meeting at 3:30 pm.

April 8, 2019, Finance and Administrative Committee Meeting Minutes

Committee Chair John Ridilla opened the meeting at 6:30 PM.

Attendees: Director Mary Harris, Director John Ridilla and District General Manager Mr. Tim Shaw were present. No members of the public were present.

Meeting was called to order at 6:30 PM.

Public Comment. There was no public comment.

Agenda Items

1. Review and discuss the Expenditures of the District for the month of March 2019.

Q&A: Fleet Commander fuel charges are only at Rio Linda. Arco has cheaper rates by about 20 cents per gallon. Total fuel costs about \$ 1,000 per month.

- Committee Recommendation: Recommend approval to the full Board of Directors.

2. Review and discuss Financial Reports of the District for the month of March 2019.

- Question re negative balance of Surcharge 1. Normal Accounting Practice via payments.

-Committee Recommendation: Recommend approval to the full Board of Directors.

3. Revisions of the District Written Finance Policies

- General discussion on Reserve funding required by State Revolving Fund (SRF) loan and the Fiscal Agent Agreement therein. Excluding the SRF Reserve Fund, going forward the Board action is required to make any changes to investments of District's assets. General Manager was asked to determine capacity fees paid to the District during the last and the fund location for these monies.

Committee Recommendation: Recommend approval to the full Board of Directors.

4. Status Report on the Service Application Fee

- General discussion that non-linear incidents of new service applications is prolonging of this study. Although we average 25 iterations of service applications each month, we did not have enough service applications last month.

Committee Recommendation: Delay until next month.

5. Status of ACH Payment Method and Banking Service Provider

- Processed first set of transaction. Transition to new service provider.

Committee Recommendation: Recommend approval to the full Board of Directors for the transition to the Umpqua Bank.

6. Lessons from City of Lincoln State Audit

- Info only.

7. Other items.

- Discussion adding an agenda item to discuss Planning and Finance and Admin Committee Meetings.
- Coordinate the list of proposed projects (even those without funding) to determine financial impact to the District based on our budget with a focus on Water Use Grant Funding Opportunity.

The meeting was adjourned at 7: 30 PM



**PENDING AND COMPLETED ITEMS
4-15-2019 BOARD OF DIRECTORS MEETING**

1. **Destruction of Well #17 project wells** The weather just recently (as of the writing of this report) turned favorable for completing the well destruction work via Eaton Pumps. I phoned Eaton for an estimated date for beginning the work, but my call went to voicemail. I will update the Board at the 4-15-2019 meeting. **Pending**
2. **Credit/Debit Card Convenience Fees:** The ACH payment method via CA Bank and Trust was implemented and we have processed our first batch of ACH payments. We continue exploring the switch to Umpqua, who has Terms, Conditions and services rates more favorable to the District. Regardless, we're still on track for discontinuing District paid convenience fees on June 1st. **Pending**
3. **Letter to Tesco for Disappointing Service:** The VPN and the firewall have been set up to allow Tesco and Inductive Automation remote access. We have a on-site service scheduled for April 17 to finally resolve the SCADA historian dysfunction **Pending**
4. **Strategic Planning:** I have started writing the content requested by the consultant, but the process is a start and stop evolution with all of the other demands for my attention, e.g. negotiations, personnel, contract administration meeting attendance etc. I had hoped that the protracted cycle between meetings caused by the observance of President's day would yield more time for writing on the Strategic Plan, but Well #16 design bidding and negotiations issues expanded to fill the void. **Pending**
5. **General Unit MOU renewal:** We made a counter offer to Teamsters Local 150 on April 2nd. The entire Unit met on April 8th to consider the offer, we are working to address remaining steps as of the writing of this report. I will update the Board at the 4-15-2019 meeting. **Pending**
6. **Disposition of the District assets recently declared as surplus by the Board:** The District received almost \$5,000 for the two vehicles we auctioned. Next item is a non-functioning backup generator. **Pending**
7. **Evaluating the Relative Merits of Withdrawing from membership in RWA** The ad hoc met on March 15th. Rob Swartz of RWA/SGA will appear at the 4-15-2019 Board meeting to help the Board make an informed decision. **Pending**
8. **Update the District's Capital Improvement Projects List.** The Planning Committee, in coordination with the District Engineer and GM are processing revisions to the CIP projects list. Recently, the Board terminated several stalled projects from the list. The remaining items need to be prioritized and the plans and means for achieving the projects need to be more comprehensively evaluated. There is more to it than just making a wish list. **Pending**