

**MINUTES OF THE  
FEBRUARY 24, 2020  
BOARD OF DIRECTORS REGULAR MEETING  
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

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

The February 24, 2020 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. President Jason Green, Director Chris Gifford, Director Robert Reisig, Director Mary Harris, and General Manager Tim Shaw were present. Director Ridilla was absent. Legal Counsel Barbara Brenner was present. Director Gifford led the pledge of allegiance.

**2. PUBLIC COMMENT**

No Public Comment

**3. CONSENT CALENDAR**

**3.1 Minutes**

January 27, 2020

**3.2 Expenditures**

**3.3 Financial Reports**

No public comment.

*It was moved by Director Harris and seconded by Director Gifford to approve the Consent Calendar. Directors Green, Gifford, Reisig, Ridilla, and Harris voted yes. Director Ridilla was absent. The motion carried with unanimous vote of 4-0-0.*

**REGULAR CALENDAR**

**4. ITEMS FOR DISCUSSION AND ACTION**

**4.1 General Manager's Report**

GM Shaw provided a written report.

No public comment.

*The Board made no action on this item*

**4.2 District Engineer's Report – Mike Vasquez**

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, Well 16 Pumping Station Construction Project, Well 16 Proposition 84 RWA/DWR \$505 Grant Agreement.

No public comment on this item.

*The Board made no action on this item.*

**4.3 Consider adopting Resolution 2020-01, amending and restating the IRS 457b deferred compensation plan with Variable Annuity Life Insurance Company (VALIC).**

The District's current IRS 457 deferred compensation plan administrator is Nationwide via and plan agreement signed by the General Manager in 2013. All currently participating active employees have their funds invested through the Nationwide plan. Until recently, the General Manager and all the current employees believed that Nationwide was the only plan administrator with an active plan agreement in place. While researching options and logistics to changing the plan administrator, I discovered that the 2003 VALIC 457 plan is remains as a non-terminated plan.

A VALIC 457 Plan representative recently met with all the employees. Among other things, the meeting shed light on the variability among plan administrators (e.g. Nationwide, VALIC, Mass Mutual) on fees and charges and their impact on the overall net gains for investments. For example: the one District employee account has only approximately \$100 more than the total amount of contributions since the start of contributions two years ago. The Nationwide fund the employee selected has yielded a 24% gain, but the excessive Nationwide fees have consumed a large portion of the gains. Further, the Nationwide fee structure is deceptive. (see the supporting documents concerning suits against Nationwide).

No public comment.

*It was moved by Director Harris and seconded by Director Reisig to adopt Resolution 2020-01 to amend and restate the VALIC IRS 457 deferred compensation plan. Directors Reisig, Gifford, Green, and Harris voted yes. Director Ridilla was absent. The motion carried with unanimous vote of 4-0-0.*

#### **4.4 Consider authorizing the execution of a Memorandum of Understanding by and between several specific neighboring water agencies to fund and participate in a study of the feasibility for collaboration among area water agencies.**

On March 8, 2018, Sacramento Suburban Water District (SSWD) received correspondence from the San Juan Water District (SJWD) General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. A Sac Suburban / San Juan committee was formed to develop goals and discussion points to bring back to their respective Boards. In May 2018, the SSWD Board approved implementing a SSWD-SJWD Water Management/Re-Organization Ad Hoc Committee (Committee).

The initial Committee meeting was held on October 3, 2018. The Committee directed the SSWD and SJWD General Managers to extend an invitation to all General Managers in the Sacramento Region with the objective of identifying ways the agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies.

The following Agencies have been participating in the ongoing discussions: SSWD, SJWD, Citrus Heights Water District, Carmichael Water District, Rio Linda / Elverta Community Water District, Del Paso Manor Water District, and City of Folsom. The Fair Oaks Water District and Orange Vale Water Company have chosen to not participate in the subject study.

Throughout the meetings of the General Managers, the Agencies developed a Request for Proposal (RFP) for a Sacramento Region Water Utility Collaboration/Integration Study (Study). As part of the analysis, it is the intent of the selected consultant to identify opportunities for

coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is intended to determine a range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization. Some of the agencies (including RLECWD) have no interest for consolidation.

In December 2019, five consulting firms responded to the RFP. Of the five consulting firms, four were selected to be interviewed on December 17, 2019 by the General Managers of the participating Agencies. Upon conclusion of the interviews, the panel unanimously recommended to continue discussions with Rafetelis/Tully & Young (RTY) consulting firm.

The Agencies met with RTY on January 22, 2020 to discuss components of the Study. Particular components discussed was the final Scope of Work, which entails combining particular tasks, methodology for tracking costs related to collaboration/consolidation, and schedule. The proposed cost submitted by RTY is approximately \$194,264, which is under the original estimate of \$250,000. SSWD will serve as the lead, or coordinating agency, for the subject Study. The Professional Services Agreement with RTY is included with your Board packets and associated with this agenda item. The Professional Services Agreement stipulates RTY must account for non-consolidation items separately, i.e. RLECWD will NOT be charged for work done by the consultant on merger/consolidation issues.

The Draft Memorandum of Understanding Regarding Collaboration/Integration Study (MOU) is associated with this item and included with your Board packets. The MOU includes the cost allocation spreadsheet. The cost allocation is based the annual operating budget of each participating Agency. Currently, the cost per agency is as low as \$5,000 and as high as \$53,000. The District's cost at this point is approximately \$5,000.

The plan going forward is each Agency will bring before their respective Boards in February 2020, a recommendation to approve participation in the Study, agree on the cost allocation, and approve the MOU. If the Boards who want to participate in the Study agree on those points, it is hopeful to have RTY under contract in March 2020.

Once the agreement is executed, as previously noted, SSWD will be responsible for administration of the project, and will be the primary contact for RTY. The project will be overseen by a Management Committee, composed of at least one executive from each of the participating Agencies. RTY will meet with the Management Committee as necessary, but at least once to initiate the project, and then at the end of each Activity phase. In addition, during the analysis phase of RTY's work, they will need to communicate with each agency's subject matter expert staff as required.

RTY will also need to plan to present the results of each Activity phase to an ad hoc committee of members of each Board of Directors or City Council of each of the participating Agencies (3 meetings total). RTY will present the final results of the study to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies. The Study is anticipated to be completed in November/December 2020.

No public comment.

*It was moved by Director Gifford and seconded by Director Reisig to authorize the execution of the collaboration study Memorandum of Understanding. Directors Reisig, Gifford, and Green voted yes. Director Harris abstained. Director Ridilla was absent. The motion carried with a vote of 3-0-1.*

**4.5 Consider authorizing submittal of a letter to the Regional Water Authority (RWA) to express the District's concerns regarding the proposed expansion of RWA scope into federal affairs.**

Following the Board Member's report on the January 9<sup>th</sup> Regional Water Authority (RWA) meeting, the Board requested that the GM draft a letter to RWA and bring the draft letter to the February 24<sup>th</sup> Board meeting to Board consideration. The letter is intended to express the District's concerns regarding recent RWA handling of scope expansion issues, e.g. federal affairs.

The Board requested adding a paragraph in the letter for the letter to be included in the RWA packets.

No public comment.

*It was moved by Director Harris and seconded by Director Gifford to authorize submittal of the letter to the Regional Water Authority to express the District's concerns regarding the proposed expansion of RWA scope into federal affairs with the suggested edit. Directors Reisig, Gifford, Green, and Harris voted yes. Director Ridilla was absent. The motion carried with unanimous vote of 4-0-0.*

**4.6 Consider nominating a District Board Member to serve on Sacramento County LAFCo Special Districts Advisory Committee.**

I recommend the Board consider nominating a Board Member to serve on the Sacramento County Local Agency Formation Commission, Special Districts Advisory Committee.

*It was moved by Director Reisig and seconded by Director Harris to nominate Director Mary Harris to the LAFCo Special Districts Advisory Committee. Directors Green, Reisig, Harris and Gifford voted yes. Director Ridilla was absent. The motion carried with unanimous vote of 4-0-0.*

**4.7 Authorize any new Board Member Assignments (committees and other) announced by the Chair pursuant to District Policy 2.01.065.**

No public comment on this item.

*It was moved by Director Reisig and seconded by Director Harris to authorize all Directors attendance to the SDRMA Special Education Day on Tuesday, March 24, 2020. Directors Reisig, Gifford, Green, and Harris voted yes. Ridilla was absent. The motion carried with unanimous vote of 4-0-0.*

**5. INFORMATION ITEMS**

**5.1. DISTRICT ACTIVITY REPORT**

1. Water Operations Report
2. Conservation Report
3. GM Minor Budget Revision (2020-01)

**5.2. BOARD REPORTS**

1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
2. Regional Water Authority –Gifford, Shaw – No Meeting.
3. Sacramento Groundwater Authority – Harris, Reisig – Director Harris gave a verbal report. Director Harris announced she is on the Budget Committee with SGA.
4. Executive Committee – Green. Reisig - Minutes provided.
5. ACWA/JPIA – Ridilla - No Report – Ridilla was absent.

- 6. Ad Hoc Committee – Meeting was held, but update will be provided in closed session.
- 7. Other Reports, e.g

6. **PUBLIC COMMENT PRIOR TO CLOSED SESSION** – No public comment.

7.1 **CONFERENCE WITH LABOR NEGOTIATORS** - (Pursuant to Government Code Section 54957.6) District Negotiators, Shaw, RLECWD Employee General Unit, Teamster Local 150 Meet and Confer regarding position description revisions.

8. **RECONVENE IN OPEN SESSION** – Director Green reported out of closed session that the negotiator was given direction.

9. **DIRECTORS’ AND GENERAL MANAGER COMMENTS** –

No Directors comments.

10. **ADJOURNMENT**

President Jason Green adjourned the meeting at 7:58 p.m.

Respectfully submitted,

Signature on File  
Timothy R. Shaw, Secretary

Signature on File  
Jason Green, President of the Board