

Executive Committee Meeting Minutes

August 5, 2019

Committee Chair Mary Harris opened the meeting at 6:04 PM.

Attendees: Director Jason Green, Director Mary Harris, District Engineer Mike Vasquez and District General Manager Mr. Tim Shaw were present. Public attendees included Ron Hyce and his real estate agent, attorney Jack Nolan

Public Comment. *Jack Nolan and Director Mary Harris exchanged greetings. Mr. Nolan explained that he and Mr. Hyce were at the Executive Committee meeting to request a Board meeting agenda item. The agenda item requested by Mr. Nolan entails the repeated request from Mr. Hyce to sell his capacity in the drinking water system, such capacity was conveyed to Mr. Hyce in exchange for an easement granted by Mr. Hyce in 1991. The terms are documented in a fully executed agreement. Mr. Nolan explained that he believes the prior considerations by the Board were unclear. Director Harris deferred to the General Manager. The General Manager explained that Mr. Hyce has made the same request to the Board many times since 1991. Each time the Board's ruling was the same, the entitlement is not transferable. The General Manager referred to the March 2019 letter to Mr. Hyce detailing the relevant facts and history. Mary Harris suggested an agenda item be placed on the August 19th Board agenda. Mr. Nolan responded he was unavailable. Mary Harris suggested the September 16th agenda, for which Mr. Nolan is available. Jason Green concurred.*

Agenda Items

1. Review and discuss the expenditures of the District for the Month of June 2019.
 - *The June expenditures report was forwarded to the August 19th Board agenda with the Executive Committee's recommendation for approval.*
2. Review and discuss the financial reports for the Month of June 2019.
 - *Director Harris inquired about the Excellence in Financial Reporting press release included with financials. Director Harris wanted to know if the Comprehensive Annual Financial Report (CAFR) was a legal or statutory requirement. The General Manager confirmed is not. Director Harris requested the annual cost for preparing and reviewing the CAFR, which is the subject of the press release. The General Manager estimated around \$425. Director Harris suggested the District could save some ratepayer dollars by reducing the frequency of the CAFR, and the review thereof, to once every 5-years.*
The June financials report was forwarded to the August 19th Board agenda with the Executive Committee's recommendation for approval.
3. Review and discuss the fiscal year 2019/2020 final budget.
 - *Director Harris requested some minor changes to the orientation of the org chart included in the budget. Directors Green and Harris requested a few clarifications, which were sufficiently addressed by the General Manager. The Executive Committee forwarded the item onto the August 19th Board agenda with a recommendation for Board approval.*
4. Discuss the Board authorization for the appointed Board Members to attend all ACWA conferences.
 - *The Executive Committee discussed the typical costs and benefits from attending the out of town ACWA conferences (e.g. San Diego and Monterey). The Committee further discussed the prior action*

by the Board to authorize attendance by the appointed Director for all ACWA meetings. The Committee conjectured that substantial reduction in cost without a similar reduction in benefit may be attained by amending the authorization to include only meetings held in Sacramento. The Executive Committee forwarded an item onto the August 19th Board agenda to have the Board consider amending its prior blanket authorization for attending all ACWA meetings. The Committee recommends the Board retract the blanket authorized attendance to only meetings held in Sacramento, with out of town ACWA meeting attendance to be considered on a case by case basis.

5. Discuss the strategies and changes necessary for complying with SB-606 minimum water use efficiency, i.e. means/methods to attain target gallons per day per capita.
 - *The Executive Committee discussed the staff report and material included with this item. The discussion included the requirements of SB-606, penalties for non-compliance, and the ideals for allocation block rates intended by the legislature in adopting the new law. The committee further discussed the next steps for RLECWD compliance, and impediments from the percentage of fixed price in the current rate structure. The General Manager recommends the Board begin a thorough process for selecting and engaging a rates study consultant to provide that the rate study consultant's experience and interests are closely aligned with the District's needs. The Executive Committee directed the General Manager to place an item on the September 3rd Executive Committee agenda to discuss a rate study consultant Request for Proposals (RFP) and/or Request for Qualifications (RFQ).*
6. Review and discuss the next steps for adopting the RLECWD Strategic Plan.
 - *The Executive Committee reviewed the draft Strategic Plan, the challenges for finalizing the Strategic Plan following the resignation of 3 Board Members, and the consequences for requesting additional work by the consultant engaged in the beginning of the planning process. The Executive Committee commented that the existing draft is a good product, and further confirmed their concurrence that additional charges from the consultant are unappealing. Regardless, it is unreasonable to ask 3 new Board Members to approve a plan without providing opportunity for discussion and input. An additional Board workshop would be preferred, but a short-term, low-cost workshop facilitator is desired. The Executive Committee forwarded the item onto the August 19th Board agenda for discussion and action (if appropriate).*
7. Discuss the upcoming (September) decision by the Board on the amount of Opus Bank loan to withdraw for Hexavalent Chromium mitigation.
 - *The Executive Committee discussed the staff report and was further updated by the General Manager, who conveyed that DWR has authorized reallocating the previous grant award for Well #10 to the Well #16 project. Accordingly, the Executive Committee concurs with the General Managers recommendation to authorize only the amount needed to complete the Well#16 project. For example; if the Well #16 project is estimated to cost \$3.5 million, then draw \$3 million from the Opus Bank loan and couple that with the \$500K grant. The committee forwarded the item onto the August 19th Board agenda with their recommendation as described here.*
8. Discuss the annual performance review process for the General Manager.
 - *The Executive Committee forwarded the annual performance review onto the August 19th Board agenda, closed session.*
9. Discuss the annual Rio Linda Elverta Country Fair, September 21, 2019.
 - *The Executive Committee forwarded the item onto the August 19th Board agenda with the Committee's recommendation for Board authorization for all Board Members to participate in the Country Faire on September 21st.*
10. Engineer's update on projects underway and planned.

- *Mike Vasquez delivered his report. Director Harris commented on the excellent work being performed by Mr. Vasquez.*

Other items.

The September 3, 2019 Executive Committee meeting will be held at Sacramento Metro Fire Station 111 on Rio Linda Blvd. Staff anticipates continued discussion on updates to fees, e.g. fee for insufficient funds (bounced check) and further discussion on outsourcing the printing, folding, stuffing and mailing of bills.

The meeting was adjourned at 7: 44 PM