Agenda
Rio Linda / Elverta Community Water District
Executive Committee

November 7, 2022 @ 6:30 P.M.

New Beginnings Fellowship
7008 10th St.
Rio Linda, CA 95673

THIS MEETING WILL BE PHYSICALLY OPEN TO THE PUBLIC WITH SOME REASONABLE LIMITATIONS PURSUANT TO CURRENT STATE AND COUNTY GUIDELINES.

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

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

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

Call to Order

Public Comment

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

Items for Discussion:

1. Engineers Update.
2. Discuss Encouraging Paperless Billing Enrollment.
3. Discuss Revisions Needed to Schedule of Fees (e.g., Notifications and Service Termination).
4. Discuss Fair Political Practices Act, Form 806.
5. Discuss Options for Mitigating Reduced Revenues from Conservation Coupled with Historic Inflation.
6. Discuss SB 938 Granting Broader Authority to LAFCo for Dissolution of Struggling Agencies.
7. Discuss the Water Loss Standards Recently Adopted by the State Water Resources Control Board.
8. Discuss Expenditures for September 2022.
9. Discuss Financial Reports for September 2022.

Directors' and General Manager Comments:

- Tax Bill for Streetlight Dispute.

Items Requested for Next Month's Committee Agenda

Adjournment

Next Executive Committee meeting: Monday, December 5, 2022 at Visitors/Depot Center 6730 Front St. Rio Linda, CA.

ADA COMPLIANCE STATEMENT

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

Executive Committee
Agenda Item: 1

Date: November 7, 2022

Subject: General Status Update from the District Engineer

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

Recommended Committee Action:

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

Current Background and Justification:

Subjects anticipated for discussion include:

1. Dry Creek Road Pipe Replacement Project
2. Valve Vault Cover Replacements at 30th St. and Elkhorn Blvd., and at Q St. and Dry Creek Rd.
3. Active Developments
    a. Fox Hollow Residential Development (28 lots, 6th Street between Q Street and S Street)

Conclusion:

I recommend the Executive Committee receive the status report from the District Engineer. Then, if necessary and appropriate, forward an item(s) onto the November 21, 2022 Board of Directors Meeting agenda with recommendations as necessary.

Executive Committee
Agenda Item: 2

Date: November 7, 2022

Subject: Encouraging Paperless Billing Option

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should engage staff in discussion on the objectives of establishing a paperless billing option, then provided direction to staff as appropriate.

Current Background and Justification:

The District has been discussing this goal for several years. The first iteration of the process was linked to Fathom software, which never materialized. The current manifestation of the program entails establishing an incentive for those customers who opt into a paperless billing program.

The California Constitution precludes charging more than the cost of providing service, and further requires a defensible relationship between the fee or charge for a service and the cost of that same service. Pointedly, the cost of printing, folding, stuffing, and mailing bills should not be charged to customers who opt into a paperless billing program.

The same customers who prefer online and/or automated payment options tend to also prefer paperless billing. The fulcrum to this paperless billing option is to establish that the cost avoidance of paperless billing is approximately equivalent to the convenience fee charged by the third-party credit/debit card payment processor.

A Resolution is needed to enable the Board to authorize a finding that the cost avoidance of paperless billing is approximately equal to the convenience fee charged to credit/debit payment customers. The following outliers need to be addressed:

1. What will the District policy be for customers who opt into the paperless billing, but do not tend to use credit/debit cards for payment, e.g., Automated Clearing House (ACH) payments. The simple approach would be to reduce these customers (customers who opt into paperless billing, but don't normally pay via credit/debit card) fixed charge by the same amount as credit/debit card convenience fees. However, tracking and handling a

change by the customer (from ACH or check to credit/debit payment) would be infeasible.

2. There may be challenges in the CUSI billing software. Essentially the District would be establishing two fixed charge amounts, one for paperless billing and one traditional billing. Reconciling via posting credits to the accounts for paperless billing customers may be labor intensive for front office personnel.
3. Establishing a credit (reversal of charges) for paperless billing customers on a frequency less than every bimonthly billing cycle may be the appropriate mitigation to the billing challenges described in items 1 and 2 above. The person-hours expended by reconciling credits for paperless billing performed once of twice each year instead of 6-times each year helps keep the program manageable.

Conclusion:

I recommend the Executive Committee review and discuss this issue, then provide direction to staff on the next steps.

Executive Committee
Agenda Item: 3

Date: November 7, 2022

Subject: Discuss Revisions Needed to Schedule of Fees (e.g., Notifications and Service Termination).

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the documents associated with this item, then forward an item onto the November 21st Board agenda.

Current Background and Justification:

Current statutes require the District to document the nexus (cost of providing a service) correlated to the District charge for that same service. Often, those cost change over time due to inflation, new requirements etc.

The cost incurred by the District for issuing discontinuation of water service for nonpayment has increased due to inflation and the statutory requirements pursuant to SB 998. Accordingly, it is necessary and appropriate to update the fees for notifications and for actually discontinuing service. These charges are established via Ordinance 2013-03 Exhibit 5.

As previously performed by the Board, a resolution documenting the updates and justification for the updates has been prepared for review and comment by the Committee.

Conclusion:

I recommend the Executive Committee review the draft resolution, then forward the resolution onto the November 21st Board agenda with the Committee's recommendation for Board approval.

RESOLUTION NO. 2022-0X

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ ELVERTA COMMUNITY WATER DISTRICT TO AMEND EXHIBIT 5 SERVICE FEES AND CHARGES OF ORDINANCE 2013-01

Discontinuation of Service Notices and Service Termination Fees

WHEREAS, pursuant to California Constitution, Article XIII D, the Rio Linda Elverta Community Water District Board of Director approved Ordinance 2013-01 on October 21, 2013, and

WHEREAS, Exhibit 5 of Ordinance 2013-01, Service Fees and Charges includes fees for District processing discontinuation of service notices and discontinuation of residential water service pursuant to the requirements of California Senate Bill 998 (Health and Safety Code, Section 116900 et seq), and

WHEREAS, the current fees for service discontinuation notices and service disconnections are less than the cost of providing these services, and

WHEREAS, the reasonable relationship between the District's cost of processing discontinuation of service notices and service terminations has been reevaluated, and

WHEREAS, an internal study of the current time and cost expended for service discontinuation notices and service terminations has been completed, which supports an increase in the fee amount currently being charged for service discontinuation notices and a restructuring of the fee for service termination.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Rio Linda/Elverta Community Water District as follows:

1. The "Late Charge" in Exhibit 5 of Ordinance 2013-01 shall be modified to read "Notices Regarding Discontinuation of Service". The Charge for Notices Regarding Discontinuation of Service shall be $10 for each notice.
2. The fee for "Service Turn-off /Turn-on…" shall be adjusted from the current fee of $40. The new fee shall be $50, and there will be no fee associated with "Turn-Off Notice Tag" as that practice has been discontinued.
3. The effective date of the changes will be December 21, 2022.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 21st day of November 2022. By the following vote:

AYES: .
NAYS:
ABSENT:
ABSTAIN:

ATTEST:

_____
Jason Green
President, Board of Directors

_____
Timothy R. Shaw
Secretary of the Board of Directors

EXHIBIT 5

SERVICE FEES AND CHARGES

The water service charges identified in **§4.31.210(B)** of the Water System Regulations shall be modified as follows:

Description of Fee or Charge	Code Section*	Fee or Charge Rate
Service Application – Existing Connection[1]	§4.07.710	$25.00 per location up to two meters when requested at the same time by the same customer; $10.00 each additional meter.
Service Application – New Service Installation Required	§4.07.710 §4.07.015	$100.00 per location with $30.00 credited toward Service Application, if Service is initiated within 180 Days. Commercial, Industrial and Residential projects over Four (4) units will be charged on a Time & Material Basis.
Service Turn-off/Turn-on by District due to violation of Policy or Nonpayment during regular billing cycle Turn-off Notice Tag	§4.07.810 §4.31.220 (C) §4.31.250 §4.31.285	$40.00 $40.00
Customer Requested Temporary Turn-off/Turn-on	§4.07.840	$40.00 ($20.00 each), One-time Fee waiver for Installation of Gate Valve
Turn-off & Turn-on for Meter Tampering	§4.07.830	$100.00
Removal of Meter & Reinstall due to Tampering	§4.07.830	$200.00
Additional Charge for Service after Business Hours	§4.07.840 §4.09.210 (2)	$50.00
Backflow Program and Annual Testing	§4.09.230	$8.33 Bi-monthly; Replacement of Device at owners' expense. Time and Material for District Installations.
Penalty for Violation Conservation Policy (Third Violation	§4.14.250 B-3	$75.00
Service Termination for Conservation Violation (fourth, or more)	§4.14.250 B-4	$125.00 plus $30.00 Turn-on Fee when service is reinstated
Water Service Account Deposit	§4.07.710 §4.31.220	$100.00. Waived on showing of Good Credit

Description of Fee or Charge	Code Section*	Fee or Charge Rate
Additional copy of billing	Resolution 2013-07	$1.00
Late Charge	§4.31.230 §4.31.280	$5.00
Basic Water Sample Lab Test – Private well, sample provided	Misc. Charge	$60.00
Basic Water Sample Lab Test – private well, District samples	Misc. Charge	$125.00
Basic Water Sample Lab Test – District water customer	Misc. Charge	$45.00
Specialized Water Sample Lab Test	Misc. Charge	Time and Materials, plus 10% markup of Lab Fee
Service Turn-off/Turn-on for nonpayment (out of billing cycle)	§4.31.285	$40.00
Property Lien Fee for recording uncollected charge	§4.31.290 §4.31.295	$75.00
Bank Declined Payment (NSF checks or ACH declined transaction)[2]	§4.31.295	$20.00
Turnoff Notice for Returned Check	§4.31.295	$40.00
Referral to Collection Agency	§4.31.295	50% of Balance Due
Removal of Meter including Re-installation	§4.31.295	$200.00
Meter Test Charge	§4.31.310	$75.00, Fee Waived if > 2% fast (includes meter removal/reinstallation)
Meter Re-reads	§4.31.320	$20.00 per Re-read (each request subject to charge), waived if original read is wrong.
Plan Check, Testing, Inspection and Other Service Fees	**Code Section***	**Charge Rate**
District Staff and/or Contracted Engineering, Inspection, Legal and other Administrative & Professional Services when provided on a cost estimated basis. Equipment, equipment rental and materials not covered by fees in this ordinance.	§4.07.030 & Resolution No. 3-94	Time & Materials, plus 5% surcharge on contract work. Rental equipment and materials, actual cost, plus a 10% surcharge. Backhoe - $95.00 per hour, Dump Truck - $70.00 per hour, Pickup Truck - $75.00 per hour, plus $0.50 per mile driven.
Fire Hydrant Flow Test & Letter	§4.21.110	$200.00

Executive Committee
Agenda Item: 4

Date: November 7, 2022

Subject: Discuss Fair Political Practices Act, Form 806

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This is an informational item. There is no requirement that this form be approved by the Board prior to posting the form to the District's website.

Current Background and Justification:

This form is required pursuant to Fair Political Practices Commission (FPPC) Regulation 18702.5. Each agency must post on its website a single Form 806 which lists all the paid appointed positions to which an official will vote to appoint themselves. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur.

The agency that is voting to appoint a public official must post the Form 806 on its website.

Conclusion:

I recommend the Executive Committee request any clarifications on this requirement deemed necessary and appropriate.

Agency Report of:
Public Official Appointments

A Public Document

1. Agency Name

Rio Linda Everta Community Water District

Division, Department, or Region *(If Applicable)*

N/A

Designated Agency Contact *(Name, Title)*

Timothy R. Shaw, General Manager

Area Code/Phone Number	E-mail
(916) 991-8891	GM@RLECWD.COM

California Form 806

For Official Use Only

Page 1 of 1

Date Posted: 11-8-2022 *(Month, Day, Year)*

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
Sacramento Groundwater Authority	Name: Harris, Mary *(Last, First)* Alternate, if any: *(Last, First)*	Appt Date: 09/24/2016 Length of Term: 4-years	Per Meeting: $ 100.00 Estimated Annual: ■ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ Other
RLECWD Executive Committee	Name: Ridilla, John *(Last, First)* Alternate, if any: *(Last, First)*	Appt Date: 01/01/2022 Length of Term: 1-year	Per Meeting: $ 100.00 Estimated Annual: ■ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ Other
RLECWD Executive Committee	Name: Gifford, Chris *(Last, First)* Alternate, if any: *(Last, First)*	Appt Date: 01/01/2022 Length of Term: 1-Year	Per Meeting: $ 100.00 Estimated Annual: ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ Other
Association of California Water Agencies	Name: Ridilla, John *(Last, First)* Alternate, if any: *(Last, First)*	Appt Date: 01/01/2022 Length of Term: 1-year	Per Meeting: $ 100.00 Estimated Annual: ■ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ Other

3. Verification

I have read and understand FPPC Regulation 18702.5. I have verified that the appointment and information identified above is true to the best of my information and belief.

Signature of Agency Head or Designee	Print Name	Title	(Month, Day, Year)
	Timothy R. Shaw	General Manager	11-7-2022

Comment: Sacramento Groundwater Authority appointment may entail several subcommittee appointments

Print Clear

Agency Report of:
Public Official Appointments

California Form 806

A Public Document

Background

This form is used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member.

This form is required pursuant to FPPC Regulation 18702.5. Each agency must post on its website a single Form 806 which lists all the paid appointed positions to which an official will vote to appoint themselves. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur.

Instructions

This form must be posted prior to a vote (or consent item) to appoint a governing board member if the appointee will participate in the decision and the appointment results in additional compensation to the appointee.

FPPC Regulation 18702.5 provides that as long as the public is informed prior to a vote, an official may vote to hold another position even when the vote results in additional compensation.

Part 1. Agency Identification
Identify the agency name and information on who should be contacted for information.

Part 2. Appointments
Identify the name of the other agency, board or commission. List the name of the official, and an alternate, if any.

List the appointment date and the length of term the agency official will serve. Disclose the stipend provided per meeting and the estimated annual payment. The annual salary is an estimate as it will likely vary depending upon the number of meetings. It is not necessary to revise the estimate at the end of the calendar year.

Part 3. Verification
The agency head or his/her designee must sign the verification.

Frequently Asked Questions (FAQs)

1. When does an agency need to complete the Form 806?

   A Form 806 is required when an agency's board members vote to appoint a board member to serve on another governmental agency or position of the agency of which the official is a member and will receive additional compensation.

2. The city council votes to serve as the city's housing authority, a separate entity. Will the Form 806 be required?

   If the council members receive additional compensation for serving on the housing authority, the Form 806 is required.

3. Are appointments made by a governing board to appoint one of its members to serve as an officer of that board for additional pay (e.g., mayor) required to be disclosed on Form 806?

   No. FPPC Regulation 18702.5(b)(6) exempts from this requirement decisions to fill a position on the body of which the official is a member (such as a councilmember being appointed as mayor) despite an increase in compensation.

4. In determining the income, must the agency include mileage reimbursements, travel payments, health benefits, and other compensation?

   No. FPPC Regulation 18702.5 requires only the amount of the stipend or salary to be reported.

5. Which agency must post the Form 806?

   The agency that is voting to appoint a public official must post the Form 806 on its website. The agency that the official will serve as a member is not required to post the Form 806. The form is not sent to the FPPC.

6. When must the Form 806 be updated?

   The Form 806 should be amended promptly upon any of the following circumstances: (1) the number of scheduled meetings is changed, (2) there is a change in the compensation paid to the members, (3) there is a change in membership on the board or commission, or (4) there is a new appointment to a new agency.

7. If officials choose to recuse themselves from the decision and leave the room when a vote is taken to make an appointment, must the Form 806 be completed?

   No. The Form 806 is only required to identify those officials that will vote on an appointment in which the official will also receive additional compensation.

Privacy Information Notice

Information requested by the FPPC is used to administer and enforce the Political Reform Act. Failure to provide information may be a violation subject to penalties. All reports are public records available for inspection and reproduction. Direct questions to FPPC's General Counsel, Fair Political Practices Commission, 1102 Q Street, Suite 3000, Sacramento, CA 95811.

Agency Report of: Public Official Appointments Continuation Sheet

California Form **806**

A Public Document

1. Agency Name

Date Posted: ________________ *(Month, Day, Year)*

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
	Name ________ *(Last, First)* Alternate, if any ________ *(Last, First)*	____/____/____ *Appt Date* ________ *Length of Term*	*Per Meeting:* $ ________ *Estimated Annual:* ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ ________ *Other*
	Name ________ *(Last, First)* Alternate, if any ________ *(Last, First)*	____/____/____ *Appt Date* ________ *Length of Term*	*Per Meeting:* $ ________ *Estimated Annual:* ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ ________ *Other*
	Name ________ *(Last, First)* Alternate, if any ________ *(Last, First)*	____/____/____ *Appt Date* ________ *Length of Term*	*Per Meeting:* $ ________ *Estimated Annual:* ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ ________ *Other*
	Name ________ *(Last, First)* Alternate, if any ________ *(Last, First)*	____/____/____ *Appt Date* ________ *Length of Term*	*Per Meeting:* $ ________ *Estimated Annual:* ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ ________ *Other*
	Name ________ *(Last, First)* Alternate, if any ________ *(Last, First)*	____/____/____ *Appt Date* ________ *Length of Term*	*Per Meeting:* $ ________ *Estimated Annual:* ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ ________ *Other*
	Name ________ *(Last, First)* Alternate, if any ________ *(Last, First)*	____/____/____ *Appt Date* ________ *Length of Term*	*Per Meeting:* $ ________ *Estimated Annual:* ☐ $0-$1,000 ☐ $2,001-$3,000 ☐ $1,001-$2,000 ☐ ________ *Other*

Print **Clear**

Executive Committee
Agenda Item: 5

Date: November 7, 2022

Subject: Options for Mitigating Conservation Reduced Revenue and Historic Inflation.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should engage staff in discussion regarding options to mitigate the reduced revenue caused by conservation combined with the historic level of inflation.

Current Background and Justification:

Earlier this year, in anticipation of the reduced revenues associated with the conservation mandated by the Governor's drought emergency declaration, the Board declined to implement the drought emergency rates authorized in the rate structure adopted by the District in August 2021.

In September 2022, the District customers conserved 23.3% compared to September 2020 (the states mandated basis for computing conservation). Through 9-months of 2022, District customers conserved 10.4% compared to the same period in 2020. At the same time, inflation in virtually all operating and administrative costs has remained at levels not seen in 40-years. Employment costs, insurance, electricity, utilities (phone, internet, trash collection) membership dues etc. are all 7 to 10% higher than they were last year. The combined impact of lower revenues and higher costs is substantive.

Staff, in coordination with the Board, has launched several cost cutting efforts needed to offset some of the impact. Examples include efforts to eliminate redundant membership dues (ACWA v. CSDA) saving approximately $10,000 per year, lowering the cost for internet, and phones (Comcast) from $360 per month to $56 per month. Although these efforts will save ratepayer dollars in the long run, the savings won't materialize until the transitions are complete – best case scenario is half way through the current fiscal year.

Other options to consider include Board reconsideration of the drought emergency rates. It is worthy to consider that the Board may authorize implementation of the drought emergency rates at a level less than the level authorized in the rate study and rate adjustment Resolution. For example, ratepayer have conserved 10% from January through September, the Board could authorize one third of the $0.64 per unit (1-unit = 100 cubic feet or 748-gallons) drought emergency volumetric rate. Had the Board done so,

the District would have received at least an additional $100,000 in revenue factoring in the cause and effect of increased volumetric rates.

Given the current timing, where two new Board Members will be sworn into office in one month, it may be politically prudent and relatively less tumultuous to project the Board's consideration of options until December. Options to create $100,000 in revenue or reduce $100,000 in costs are limited. A reduction in force, for example would save nearly $100,000 in employment cost, if you ignore the increase in overtime that would likely result from a reduction in staffing.

Conclusion:

I recommend the Executive Committee engage staff in discussion, then provide director to staff.

Executive Committee
Agenda Item: 6

Date: November 7, 2022

Subject: SB 938 Granting Broader Authority to LAFCo for Dissolution of Derelict Agencies

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This is an informational item. It is not anticipated in directly resulting and/or requiring Board action. The Committee should engage staff in discussions of the potential impact of SB 938 when it takes effect this January.

Current Background and Justification:

Over the last several years, the California legislature has continued a trend of passing new laws that make it increasingly more likely that an under-performing special district can be dissolved, forced to consolidate, or be forcefully reconstructed as a new, local-government entity. Much of the previous legislation used water quality as the catalyst for authorized commencement of such actions. SB 938, which becomes effective in less than two months, uses the term "derelict agencies" as authorization for intervention. SB 938 provides several examples of derelict actions including misuse of public funds, failure to hold regular meetings and failure to perform annual audits, failure to timely resolve performance issues recurrently cited in audits and regulatory inspections.

This new regulatory enforcement compounds a trend of increased new unfunded mandates, e.g., new monitoring requirements, new reports, new water loss and water used efficiency standards etc. All of which increase the potential for under resourced agencies to be forced out of business. Several volunteer (relative to enforcement proceedings described above) agency consolidations are currently being formally contemplated in our service region.

Conclusion:

I recommend the Executive Committee engage staff in discussion, then provide direction to staff as deemed appropriate.

Senate Bill No. 938

CHAPTER 89

An act to amend Sections 56375, 56824.14, 57002, 57075, 57077.1, 57077.2, 57077.3, 57077.4, and 57090 of, to add Sections 56375.1, 57077.5, and 57077.6 to, to add Chapter 4.5 (commencing with Section 57091) to Part 4 of Division 3 of Title 5 of, and to repeal Sections 57076, 57107, and 57113 of, the Government Code, and to amend Section 116687 of the Health and Safety Code, relating to local government.

[Approved by Governor July 01, 2022. Filed with Secretary of State July 01, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SB 938, Hertzberg. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. Under existing law, in each county there is a local agency formation commission (commission) that oversees these changes of organization and reorganization. Existing law authorizes a commission to dissolve an inactive district if specified conditions are satisfied.

This bill would also authorize a commission to initiate a proposal for the dissolution of a district, as described, if the commission approves, adopts, or accepts a specified study that includes a finding, based on a preponderance of the evidence, that, among other things, the district has one or more documented chronic service provision deficiencies, the district spent public funds in an unlawful or reckless manner, or the district has shown willful neglect by failing to consistently adhere to the California Public Records Act. The bill would require the commission to adopt a resolution of intent to initiate a dissolution based on these provisions and to provide a remediation period of at least 12 months, during which the district may take steps to remedy the stated deficiencies. The bill would authorize the commission, at the conclusion of the remediation period, to find that the district has failed to remedy the deficiencies and adopt a resolution to dissolve the district.

With a specified exception, existing law provides for protest proceedings for a change of organization or reorganization following adoption of a resolution making certain determinations by the commission, as provided. Existing law sets forth required procedures for the commission following a protest hearing depending on the nature of the conducting authority, as defined, the type of change of organization or reorganization, and the results of the protest proceeding.

The bill would reorganize and consolidate the above-described procedures. The bill would make conforming changes and remove obsolete provisions.

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

Section 56375 of the Government Code is amended to read:

56375.

The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(G) The dissolution of an inactive district pursuant to Section 56879.

(H) The dissolution of a district pursuant to Section 56375.1.

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(C)

SEC. 2.

Section 56375.1 is added to the Government Code, to read:

56375.1.

(a) A commission may initiate a proposal for the dissolution of a district that is eligible for the protest threshold under Section 57093 if both of the following conditions are satisfied:

(1) At a public hearing for which notice has been published and posted, the commission approves, adopts, or accepts a study prepared pursuant to Section 56430 that includes a finding, based on a preponderance of the evidence, that one or more of the following conditions is met:

(A) The district has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies.

(B) The district spent public funds in an unlawful or reckless manner inconsistent with the principal act or other statute governing the district and has not taken any action to prevent similar future spending.

(C) The district has shown willful neglect by failing to consistently adhere to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) and other public disclosure laws to which the agency is subject.

(D) The district has failed to meet the minimum number of times required in its principal act in the prior calendar year and has taken no action to remediate the failures to ensure future meetings are conducted on a timely basis.

(E) The district has consistently failed to perform timely audits in the prior three years, or failed to meet minimum financial requirements under Section 26909 over the prior five years as an alternative to performing an audit.

(F) The district's recent annual audits show chronic issues with the district's fiscal controls and the district has taken no action to remediate the issues.

(2) (A) At a public hearing for which notice has been published and posted, the commission adopts a resolution of intent to initiate dissolution based on one or more of the required findings in paragraph (1). The resolution shall provide a remediation period of not less than 12 months during which the district may take steps to remedy the specified deficiencies and also specify a date upon which the district shall provide the commission a mid-point report on such remediation efforts at a regularly scheduled commission meeting.

(B) At the conclusion of the remediation period, at a public hearing for which notice has been published and posted, the commission shall take one of the following actions:

(i) If the commission finds the district has adequately remedied the deficiencies, the commission shall rescind the notice of intent to initiate dissolution and no further action is required.

(ii) If the commission finds that the district has failed to remedy the deficiencies, the commission may adopt a resolution to dissolve the district making the determinations in paragraph (1) and in subdivision (b) of Section 56881.

(b) (1) Any public notice required pursuant to this section shall be published and posted pursuant to Chapter 4 (commencing with Section 56150) of Part 1.

(2) The public hearings required under subdivision (a) may be combined into a single public hearing for which notice has been published and posted.

(c) The commission's power to initiate dissolution of a district pursuant to this section is separate from and in addition to the commission's power to initiate dissolution pursuant to subparagraphs (B) and (G) of paragraph (2) of subdivision (a) of Section 56375.

TIMELINE

- July/August 2022 – Respective Boards made a decision to move forward with a 2X2 Committee
- Conducted 2x2 Committee meetings in August, September & October2022.
- September/October 2022 – Municipal Service Review
- October/November 2022 – DPMWD Condition Assessments
- November/December 2022 – LAFCo Approval of Municipal Service Reviews
- December 2022 – Joint Board Meeting
- January 2023 – DPMWD / SSWD - Resolution to LAFCo to combine DPMWD into SSWD
- January 2023 – Apply for amended Water System Permit with Division of Drinking Water

Executive Committee
Agenda Item: 7

Date: November 7, 2022

Subject: Water Loss Standards Recently Adopted by the State Water Resources Control Board.

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This is an informational item. This item is not anticipated to result in or require Board action.

Current Background and Justification:

SB 555 was signed into law 7-years ago. Up until recently, the law required urban water purveyors to perform and formally validate annual water loss audits. The State Water Resource Control Board recently adopted water loss standards, which are effectively limits to the amount of water loss an urban water purveyor can condone without having regulatory enforcement, e.g., compliance orders and fines.

Because of the extreme diversity among urban water purveyors, where agencies occupy a full spectrum of advantaged, disadvantaged, well-resourced to under-resourced, new pipes to old, failing, leaking pipes, there is no simple expression of the water loss standard. Instead, the water loss standard entail elaborate mathematical computations to derive each purveyors' water loss standard. In and off itself, staff anticipates many water purveyors will outsource the work necessary to create and submit a report of the purveyors' computations and resultant standard. As has been the legislative process for the past 10-years, it is an unfunded mandate.

Conclusion:

I recommend the Executive Committee review the documents associated with this item, engage staff in discussion on the new water loss standards, then provide direction to staff as deemed appropriate.

Water Loss Performance Standards
Draft Regulatory Text

Title 23. Waters

Division 3. State Water Resources Control Board and Regional Water Quality Control Boards

Chapter 3.5. Urban Water Use Efficiency and Conservation

Article 1. Water Loss Performance Standards for Urban Retail Water Suppliers

§ 980. Definitions

As used in this Article:

(a) "Active leak detection" means a leak control strategy utilizing the appropriate combination of leak detection surveys and continuous monitoring of flows~~the industry approach used~~ to proactively detect and locate leaks in water distribution systems owned or operated by urban retail water suppliers.

(b) "Annual audit" means the validated annual water loss audit submitted by an urban retail water supplier pursuant to Water Code 10608.34, subdivision (b).

(c) "Annual background leakage" means~~is~~ the estimated~~total~~ fraction of real loss that is not detected by active leak detection in a distribution system, in acre-feet per year. The default value shall be the value calculated in accordance with section 982, subdivision (a)(1).

(d) "Annual reported leakage" means~~is~~ the total volume of real loss occurring due to reported leaks on mains and reported leaks in lateral and service lines, in acre-feet per year. Reported leakage is a component of real loss. The default value shall be the value calculated in accordance with section 982, subdivision (a)(2).

(e) "Annual unreported leakage" means~~is~~ the average baseline real loss that remains after deducting the annual reported leakage and the annual background leakage from the average baseline real loss, in acre-feet per year. Unreported leakage is a component of real loss. The default value shall be the value calculated in accordance with section 982, subdivision (a)(3).

(f) "Apparent losses" mean~~s~~ losses in customer consumption attributed to inaccuracies associated with customer metering, systematic data handling errors, plus unauthorized consumption (theft or illegal use of water)~~, the type of inaccuracies associated with customer metering and billing inaccuracies, in addition to water loss to theft,~~ as reported in the annual audit as "apparent losses."

(g) "Appurtenances" are valves (for example~~e.g.~~, isolation, automatic control, and air), fire hydrants, meters, and any other asset associated with the water distribution and transmission network that are additional to the pipe assets themselves. Leaks on appurtenances may be accounted for in the "mains" or "laterals and service lines" categories, as long as the accounting stays consistent.

(h) "Average annual rise in price of water" means the average expected increase in water price in real (inflation-adjusted) terms,~~ over the lifetime of the model,~~ expressed as a percent. Unless a supplier uses its own value in accordance with section 984(b)(1), the default value shall be 4.2 percent.

(i) "Average baseline apparent loss" means the average of the apparent losses reported in the annual audits submitted for the baseline period~~fiscal or calendar years 2017, 2018, 2019, and 2020. If one year of real loss is removed before calculating the baseline real loss pursuant to subdivision (i) of this section, that same year must be removed from the average baseline apparent loss calculation.~~

(j) "Average baseline real loss" means the average of the real losses reported in the annual audits submitted for the baseline period~~fiscal or calendar years 2017, 2018, 2019, and 2020~~. If the real loss submitted for any year is a negative value, that value will be replaced by zero for purposes of averaging the baseline real loss.~~ The urban retail water supplier may choose to calculate the average baseline real loss using three out of the four years of 2017, 2018, 2019, and 2020 if the value not used varies by over 10 gallons per service connection per day for suppliers reporting in gallons per connection per day or 740 gallons per mile per day for suppliers reporting in gallons per mile per day from the each of the values for the other three years or if the value not used is negative.~~

(k) "Average duration between reporting and repair of reported leaks on laterals and service lines" means the average duration between the time when the urban retail water supplier becomes aware of a leak occurring on lateral and service lines and the time when it repairs the leak, in days, rounded to the closest whole number~~, in days~~. Unless a supplier uses its own values as indicated in this article, the default value shall be 8 days.

(l) "Average duration between reporting and repair of reported leaks on mains" means the average duration between the time when the urban retail water supplier becomes aware of a leak occurring on mains and the time when it repairs the leak, in days, rounded to the closest whole number~~, in days~~. Unless a supplier uses its own values as indicated in this article, the default value shall be 3 days.

(m) “Average flow rate for reported leaks on laterals and service lines” means the average real loss ~~per unit time~~ from reported leaks occurring on lateral or service lines, in gallons per minute per leak. Unless a supplier uses its own values as indicated in this article, the default value shall be 7 gallons per minute per leak.

(n) “Average flow rate for reported leaks on mains” means the average real loss ~~per unit time~~ from reported leaks occurring on mains, in gallons per minute per leak. Unless a supplier uses its own values as indicated in this article, the default value shall be 50 gallons per minute per leak.

(o) “Average leak detection survey frequency” is the average rate at which a supplier conducts active leak detection on a length of pipeline~~s on which the urban retail water supplier can conduct active leak detection~~, in miles per month. Unless a supplier uses its own values as indicated in this article, the default values shall be as follows:

(1) For urban retail water suppliers with average length of mains less than 500 miles, average length of mains, in miles, divided by 24 months;
(2) For urban retail water suppliers with average length of mains equal to or more than 500 miles, but less than 1,000 miles, average length of mains, in miles, divided by 30 months;
(3) For urban retail water suppliers with average length of mains equal to or more than 1,000 miles, but less than 4,000 miles, average length of mains, in miles, divided by 36 months; and
(4) For urban retail water suppliers with average length of mains equal to or more than 4,000 miles, but less than 6,000 miles, 114 miles per month.
(5) For urban retail water suppliers with average length of mains equal to or more than 6,000 miles, 130 miles per month.

(p) “Average length of mains” means the average of the values of total length of pipelines owned or operated by the urban retail water supplier reported as “length of mains” in the annual audits submitted for the baseline period~~fiscal or calendar years 2017, 2018, 2019, and 2020~~, in miles~~, unless the values provided are negative the audit has not been submitted~~.

(q) “Average number of service connections” means the average of the values of the total number of customer service connections supplied by the urban retail water supplier reported as “number of active and inactive service connections” in the annual audits submitted for the baseline period~~fiscal or calendar years 2017, 2018, 2019, and 2020, unless the values provided are negative or the audit has not been submitted~~.

(r) “Average operating pressure” means the average of the values of the pressure in the distribution system owned or operated by the urban retail water supplier reported as “average operating pressure” in the annual audits submitted for the baseline period~~fiscal or calendar years 2017, 2018, 2019,~~

~~and 2020~~, in pounds per square inch~~, unless the values provided are negative or the audit has not been submitted~~.

(s) “Average unit cost of leak detection surveying” is the average total cost incurred by the urban retail water supplier to conduct active leak detection, including equipment and labor costs and additional administrative costs associated with active leak detection, per unit mile of pipeline owned or operated by the urban retail water supplier, in dollars per mile surveyed. Unless a supplier uses its own values as indicated in this article, the default value shall be 595 dollars per mile surveyed.

(t) “Average unit leak repair costs for mains” means the average total cost incurred by the urban retail water supplier to repair each occurring leak on mains, including equipment and labor costs and additional administrative costs associated with repair, in dollars per leak. Unless a supplier uses its own values as indicated in this article, the default value shall be 5,946 dollars per leak.

(u) “Average unit leak repair costs for laterals and service lines” means the average total cost incurred by the urban retail water supplier to repair each occurring leak on laterals and service leaks, including equipment and labor costs and additional administrative costs associated with repair, in dollars per leak. Unless a supplier uses its own values as indicated in this article, the default value shall be 2,330 dollars per leak.

(v) “Average variable production cost” means the average of the values of the cost to produce and supply the next unit of water for the urban retail water supplier reported as “variable production cost” in the annual audits submitted for the baseline period~~fiscal or calendar years 2017, 2018, 2019, and 2020~~, in dollars per acre-foot~~, unless the values provided are negative or the audit has not been submitted~~.

(w) "Baseline period” means a four-year period of data to be used in the water loss model as inputs, and generally refers to the years for which data are reported in the annual audits submitted for the fiscal or calendar years 2017, 2018, 2019, and 2020, except as otherwise specified in this article.

(x) “Board” means the State Water Resources Control Board.

(y) “Compliance Period” means the three-year period preceding the date that compliance with the water loss standard is assessed. The first compliance period consists of the years 2025, 2026, and 2027~~ and the data that corresponds to those years~~.

(z) “Department” means the Department of Water Resources.

(aa) “Detected” means leaks found on the water distribution system owned or operated by an urban retail water supplier using active leak detection.

(bb) “Efficiency of leak detection equipment” is the average ratio of occurring leaks discovered by the urban retail water supplier on excavation solely due to active leak detection to the total number of leaks detected by active leak

detection, in percent. Unless a supplier uses its own values as indicated in this article, the default value shall be 70 percent.

(cc) "Executive Director" means the board's executive director.

(dd) "Exported water" means the volume of water sold to another agency as reported by the urban retail water supplier in the annual audit as "water exported."

(ee) "Full cycle of leak detection" means completing a survey of all mains in a distribution system. Other technologies can also be considered a "full cycle of leak detection" if they provide leakage data on the full distribution system.

(ff) "Imported water" means the volume of water purchased from another agency as reported by the urban retail water supplier in the annual audit as "water imported."

(gg) "Infrastructure condition factor" (ICF) means the ratio between the actual volume of background leakage in a zone or district metered area and the calculated unavoidable background leakage volume of a well-maintained system. Several methods can be used to quantify the ICF. The more accurate methods require a greater data collection effort.~~is a factor that relates the total background leakage with the unavoidable background leakage based on distribution system characteristics. It can be determined by assessing the distribution system's condition. Infrastructure condition factor is calculated as the total background leakage divided by the unavoidable background leakage for the distribution system owned or operated by the urban retail water supplier.~~ Unless a supplier uses its own values as indicated in this article, the default value shall be 1.

(hh) "Laterals and~~or~~ service lines" means the pipelines in the water distribution system owned or operated by the urban retail water supplier that convey water from mains to service connections.

(ii) "Leak" means failure of pipeline or other parts of water distribution infrastructure that leads to real loss from the water distribution system owned or operated by the urban retail water supplier.

(jj) "Mains" means pipelines in the water distribution system owned or operated by the urban retail water supplier that conveys water from the point of input to the distribution system to smaller lateral pipelines that distribute water throughout the urban retail water supplier's service area.

(kk) "Marginal avoided cost of water" means the value of per unit volume of water saved due to reduced real loss, including the current variable production cost of water and anticipated costs for providing safe, accessible water~~ and improving groundwater basin sustainability in compliance with the Sustainable Groundwater Management Act~~, in dollars per acre-foot. Unless a supplier uses its own values as indicated in this article, the default value shall be 1,275 dollars per acre-foot.

(ll) "Median household income determination" means the calculation conducted by the Board to determine the median household income for each urban

retail water supplier service area based on the median household income data for counties of California and census tract data.

(mm) "Metered" means when the water furnished or delivered through a part of the water distribution system is measured through a water meter. "Water meter" has the same meaning as in Water Code Section 516.

(nn) "Month of implementation" means the month after the end of 2021 to implement water loss control, and ranges from 1 to 360. January of 2022 is the first month of implementation.

(oo) "Number of reported leaks on laterals and service lines" means the number of leaks that are found without active leak detection and are reported to the urban retail water supplier by the general public or the supplier's own personnel~~,~~ or contractors on its lateral or service lines, in leaks per thousand average number of service connections per year. Unless a supplier uses its own values as indicated in this article, the default value shall be 2.3 leaks per thousand ~~average number of~~ service connections per year.

(pp) "Number of reported leaks on mains" means the number of leaks that are found without active leak detection and are reported to the urban retail water supplier by the general public or the supplier's own personnel~~, staff~~ or contractors on its mains, in leaks per mile of average length of mains per year. Unless a supplier uses its own values as indicated in this article, the default value shall be 0.2 leaks per mile of ~~average length of~~ mains per year.

(qq) "Number of unreported leaks on mains" means the number of leaks that are found through active leak detection on its mains, in leaks per mile of average length of mains per year. Unless a supplier uses its own values as indicated in this article, the default value shall be 0.01 leaks per 100 miles of mains per year.

(rr) "Number of unreported leaks on laterals and service lines" means the number of leaks that are found through active leak detection on its lateral or service lines, in leaks per thousand average number of service connections per year. Unless a supplier uses its own values as indicated in this article, the default value shall be 0.75 leaks per thousand service connections per year.

(ss) "Owned or operated" refers to components of the water distribution system that the urban retail water supplier owns or uses, or both, to distribute water to its service area.

(tt) "Rate of rise of leakage" means the rate at which real loss rises over time in the distribution system owned or operated by the urban retail water supplier, in gallons per service connection per day per year. This is equivalent to the volume of leakage that rises per unit time between two leak detection surveys, after repairing all detected leaks through the preceding active leak detection and repair effort in portions of the distribution system. Unless a

supplier uses its own values as indicated in this article, the default value shall be 5 gallons per connection per day.

(uu) "Real loss" means the volume of annual leakage ~~volume~~ due to physical leakage, not including apparent losses, reported in the annual audit as "current annual real loss." Real loss has three components: reported, unreported, and background leakage. When real loss in this article is expressed in gallons per connection per day, it can be converted to gallons per mile per day such that one gallon per connection per day equals 74 gallons per mile per day.

(vv) "Repair" means an action taken and/or paid for to stop real loss~~using the appropriate method to fix a leak to stop real loss occurring from it~~.

(ww) "Reported leaks" means leaks discovered~~occurring~~ in the water distribution system ~~owned or operated by the urban retail water supplier that are found~~ without the aid of active leak detection and that are reported to the urban retail water supplier by the general public or the supplier's personnel, staff, or contractors.

(xx) "Service area" means the geographical area in which an urban retail water supplier supplies water and has distribution system infrastructure and/or service connections.

(yy) "Service connection" has the same meaning as in Health and Safety Code section 116275.

(zz) "System" has the same meaning as Public Water System in Health and Safety Code section 116275.

(aaa) "Unavoidable background leakage" (UBL) means the minimum volume out of the average baseline real loss that is not detected by active leak detection in a distribution system.

(bbb) "Unbilled metered water" means the volume of water supplied by the urban retail water supplier that is not billed but metered as reported by the urban retail water supplier in the annual audit as "unbilled metered consumption."

(ccc) "Unreported leakage for 2027" means the sum of the twelve months of Monthly unreported real loss with intervention, as calculated pursuant to section 982, subdivision (a)(10), as follows:

(1) For urban retail water suppliers reporting by calendar year, the sum of the twelve months of Monthly unreported real loss with intervention for the months of January through December of 2027.

(2) For urban retail water suppliers reporting by fiscal year, the sum of the twelve months of Monthly unreported real loss with intervention summed for the months of July 2026 through June 2027.

(ddd) "Urban retail water supplier" or "supplier" ~~means a supplier that meets the definition set forth in Water Code section 10608.12.~~has the same meaning as in Water Code section 10608.12, subdivision (t) as further clarified hereafter:

(1) If the ~~water~~ supplier owns and operates at least one public water system that has provided an average annual total of 3,000 AF of water or more for

municipal purposes for the previous two years, or has served an annual average of 3,000 or more municipal service connections (i.e., residential (single or multifamily), commercial, institutional, industrial, or landscape irrigation) for the previous two years.

(2) Multiple public water systems that are owned and operated by the same ~~water~~ supplier are, together, considered an urban retail water supplier, provided they:

(A) Individually serve 200 connections or more;

(B) Collectively, meet the criteria in paragraph (1); and

(C) Meet one or more of the criteria below:

(i) The systems are permanently interconnected;

(ii) The service area boundaries are adjacent;

(iii) The supplier is using the system's data, such as population or landscape area, to calculate its urban water use objective pursuant to Water Code section 10609.20.

(eee) "Water from own sources" means the volume of water withdrawn from water resources controlled by the urban retail water supplier as reported by the urban retail water supplier in the annual audit as "volume from own sources."

Authority: Section 1058, Water Code.

References: Article X, Section 2, California Constitution; Sections 116275 and 116902, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, ~~and~~ 10608.34, ~~and~~10609.2, and 10609.4, Water Code.

§ 981. Volumetric Water Loss Performance Standards

(a) No later than January 1, 2028, each urban retail water supplier shall reduce real loss from its distribution systems to no greater than the real water loss standard identified in section 982~~this article~~, as reflected in the supplier's reported real loss in its annual audit submitted for 2027.

(b) If the urban retail water supplier's real loss reported in its 2027 annual audit exceeds the supplier's real water loss standard calculated in accordance with section 982, the supplier will be in compliance with subdivision (a) of this section if the supplier has achieved its real water loss standard as reflected in the real loss levels reported in its annual audit submitted for either 2025 or 2026.

(c) After 2028, each urban retail water supplier's compliance with its real water loss standard shall be assessed in every third year based on an average of the real losses reported in its three most recent annual audits. A supplier shall maintain, for each compliance assessment, real loss that is no greater than 5 gallons per connection per day above the supplier's real water loss standard.

(d) At the time compliance with real water loss standards is assessed, apparent losses will also be evaluated. ~~If the average apparent losses for any compliance period are greater than~~~~The~~Each supplier's apparent loss standard is the average of the supplier's baseline apparent losses plus an allowed variation of 2~~5~~ gallons per connection per day. If the average apparent losses for any compliance period are greater than this standard, ~~then~~ the supplier must submit an inventory of ~~all~~ apparent losses. ~~and any calculations and data used to determine apparent~~

~~losses for that compliance period within 6 months of being informed by the State Water Board of exceeding the apparent losses standard.~~

(1) The apparent losses inventory shall include any calculations and data used to determine apparent losses for the water loss audits spanning the compliance period for which the standards have been evaluated. Each inventory item shall include the type of apparent loss (for example~~e.g.~~, metering inaccuracies, data handling errors, theft), the estimated volume of loss, and how each value was determined (for example~~e.g.~~, direct measurement, calculation based on specific equation(s), visual estimate).

(2) The apparent losses inventory must be submitted on a spreadsheet readable by the Board within 6 months of the supplier being informed by the ~~State Water~~ Board that the supplier has exceeded its apparent loss standard. The Board will make a template available on its website.

(e) An urban retail water supplier's real water loss standard may be adjusted to include changes to the default parameter inputs identified in section 982(c), pursuant to section 984.

(f) An urban retail water supplier may calculate the average baseline real loss using three out of the four years of the baseline period by removing an outlier value that varies by over 10 gallons per service connection per day from the each of the adjacent values for the other three years or that is negative. If one year of real loss is removed from a supplier's calculated baseline real loss, that same year must be removed from the baseline average length of mains, average service connections, average operating pressure, average variable production cost, and average apparent loss calculations.

(g) In accordance with section 985, an urban retail water supplier may seek approval of a variance to its real water loss standard in response to unexpected adverse conditions and to its apparent water loss standard if apparent loss data quality improves.

(h) An urban retail water supplier whose service area meets the following criteria shall achieve compliance with this section no later than January 1, 2031:

(1) The service area has a disadvantaged communities (DAC) or severely disadvantaged communities (SDAC) designation owing to the median household income of the supplier's service area being less than or equal to 80 percent of the median household income of California per the median household income determination conducted by the board;

(2) The service area has a calculated benefit to cost ratio until 2028, pursuant to section 982, subdivision (a)(24), of less than 2; and

(3) The urban retail water supplier's real water loss standard calculated pursuant to section 982, subdivision (b)~~(1)~~ is lower than the supplier's average baseline real loss by 25% or more.

(i) Suppliers that do not meet their real~~water~~ loss standard by January 1, 2028, will be considered in compliance for the first compliance period if:

(1) The supplier's real water loss standard is lower than the supplier's average baseline real loss by 30% or more;

(2) The supplier's 2025, 2026, or 2027 water loss audits show progress as a reduction of real loss by at least 30% of the difference between the average baseline real loss and the real water loss standard;
(3) The supplier's data validity scores are at Level 3 or the supplier has demonstrated improving data validity scores. When determining eligibility, consideration will be given to data validity score reductions related to water audits prepared using different versions of the water auditing software;
(4) The supplier has completed one~~two~~ full cycle~~s~~ of leak detection surveys; and
(5) The supplier has submitted a written request for this compliance pathway to the Board and received approval prior to January 1, 2028. The request shall include:
(A) Why the supplier was unable to meet ~~their~~ its real water loss standard;
(B) A list of leakage prevention activities the supplier has engaged in to prevent water loss;
(C) How the supplier is being a good steward with respect to other pieces of ~~the conservation framework~~Water Code, division 6, part 2.55, chapter 9; and
(D) A plan for how ~~they~~ it will meet ~~their~~ its real water loss standard no later than January 1, 2031.

(j) For systems that do not meet the criteria to be considered an urban retail water supplier in section 980(ccc) until after the effective date of this section, this section applies beginning five (5) years after the system meets the criteria to be considered a supplier, except that the supplier must submit annual water loss audits starting with data for the first full year (calendar year or fiscal year, depending on how the supplier chooses to report its audits) it meets the criteria to be considered a supplier.
(1) The baseline period for suppliers subject to this subdivision consists of the first four years of submitted data.
(2) For suppliers subject to this subdivision, compliance with their real water loss standards will be assessed pursuant to subdivision (c) at the end of the first full compliance period after the standard is assigned except that if there is less than one full year between the standard being assigned and the start of the first full assessment period, compliance will be assessed at the end of the next full compliance period.

Authority: Sections 1058, 10608.34, Water Code.
References: Article X, Section 2, California Constitution; Section 116275, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, and 10608.34, Water Code.

§ 982. Economic Model

(a) Except as provided in subdivision (d), each urban retail water supplier's real water loss standard shall be based on the formula identified in subdivision (b), with the following inputs based on each supplier's own data or the default value:

(1) Annual background leakage:
Annual background leakage shall be calculated as follows:

$$\left(\begin{array}{c} 0.2\left[\frac{thousand\ gallons}{mile \cdot day}\right] \times \text{Length of mains } [miles] \\ +0.008\left[\frac{thousand\ gallons}{service\ connection \cdot day}\right] \times Number\ of\ service\ connections \end{array}\right) \times \left(\frac{\text{Average operating pressure } [psi]}{70[psi]}\right)^{1.5} \times \text{Infrastructure Condition Factor} \times \left[\frac{1{,}000\ gallons}{thousand\ gallons}\right] \times \left[\frac{1\ acre-foot}{325{,}851\ gallons}\right] \times \left[\frac{365\ days}{year}\right]$$

(2) Annual reported leakage:
Annual reported leakage shall be calculated as follows:

$$50\left[\frac{gallons}{leak \cdot minute}\right] \times \left[\frac{1\ acre-foot}{325{,}851\ gallons}\right] \times 0.2\left[\frac{leaks}{mile}\right] \times \text{Length of mains}[miles] \times \left[\frac{60\ minutes}{hour}\right] \times \left[\frac{24\ hours}{day}\right] \times 3\left[\frac{days}{year}\right] +7\left[\frac{gallons}{leak \cdot minute}\right] \times \left[\frac{1\ acre-foot}{325{,}851\ gallons}\right] \times 0.75\left[\frac{leaks}{thousand\ service\ connections}\right] \times \left[\frac{thousand\ service\ connections}{1{,}000\ service\ connections}\right] \times \text{Number of service connections} \times \left[\frac{60\ minutes}{hour}\right] \times \left[\frac{24\ hours}{day}\right] \times 8\left[\frac{days}{year}\right]$$

(3) Annual unreported leakage:
Annual unreported leakage shall be calculated by deducting annual background leakage and annual reported leakage from average baseline real loss.

(4) Months taken to survey whole system:
Months taken to survey whole system shall be calculated by dividing average length of mains by average leak detection survey frequency.

(5) Part of system:
Each part represents the amount of the system that can be surveyed each month, such that the number of parts in a system is equal to the number of months needed to survey the whole system.

(6) Unreported leakage per part of system:
Unreported leakage per part of system shall be calculated by dividing annual unreported leakage by months taken to survey whole system.

(7) Rate of rise of leakage per part of system:
Rate of rise of leakage per part of system shall be calculated by dividing rate of rise of leakage by months taken to survey whole system.

(8) Monthly water lost due to backlog of unreported leakage:
Monthly water lost due to backlog of unreported leakage shall be calculated as follows:

$$(\text{Months taken to survey whole system} - \text{month of implementation} + 1) \times \text{Unreported leakage per part of system} \times \left(\frac{1\ year}{12\ months}\right)$$

(9) Monthly water lost from rising leakage in never surveyed parts of the system:
Monthly water lost from rising leakage prior to first leak survey shall be calculated as follows:

~~$(\text{Months taken to survey whole system} - \text{month of implementation} + 1) \times \text{Rate of rise in leakage} \left[\frac{acre-feet/year^2}{month}\right] \times \left(\text{month of implementation} - \frac{1}{2}\right) \times \left(\frac{1\ year}{12\ months}\right)^2$~~

$$\frac{(Months\ taken\ to\ survey\ system - Month\ of\ Implementation + 1)[months] \times Average\ annual\ rise\ in\ leakage \left[\frac{acre-feet}{year^2 \times part}\right]}{\times (12\ months\ since\ the\ end\ of\ 2020 + Month\ of\ implementation - 0.5)[months] \times \left(\frac{1\ year}{12\ months}\right)^2}$$

(10) Monthly water lost from rising leakage in previously surveyed parts of the system:

(A) Before one full leak detection survey has been completed, the monthly water lost from rising leakage in previously surveyed parts of the system shall be calculated as follows:

$$\text{Rate of rise in leakage} \left[\frac{acre-feet/year^2}{month}\right] \times \left(\frac{1\ year}{12\ months}\right)^2 \times \frac{(\text{month of implementation} - 1)^2}{2}$$

(B) After the entire system has been surveyed once, the monthly water lost from rising leakage in previously surveyed parts of the system shall be calculated as follows:

$$\text{Rate of rise in leakage} \left[\frac{acre-feet/year^2}{month}\right] \times \left(\frac{1\ year}{12\ months}\right)^2 \times \frac{\text{months taken to survey whole system}^2}{2}$$

(11) Monthly unreported real loss with intervention:

Monthly unreported real loss with intervention shall be the sum of monthly water lost due to backlog of unreported leakage, monthly water lost from rising leakage in never surveyed parts of the system, and monthly water lost from rising leakage in previously surveyed parts of the system.

(12) Monthly unreported real loss without intervention:

Monthly unreported real loss without intervention shall be calculated as follows:

$$\frac{\begin{array}{l}\text{~~Months taken to survey whole system} \times \left(\frac{1\ year}{12\ months}\right) \\ \times \left(\text{~~Unreported leakage per part of system} \left[\frac{acre-feet}{year}\right] + \text{~~Rate of rise in leakage} \left[\frac{acre-feet/year^2}{month}\right]\right. \\ \left. \text{~~} \times \left(\text{~~month of implementation} - \frac{1}{2}\right) \times \left(\frac{1\ year}{12\ months}\right)\right)\end{array}}{\begin{array}{l}Annual\ Unreported\ Leakage \left[\frac{acre-feet}{year}\right] \times \left(\frac{1\ year}{12\ months}\right) \\ + \left(Rate\ of\ rise\ in\ leakage \left[\frac{acre-feet}{year^2}\right] \times \left(\frac{1\ year}{12\ months}\right)^2 \times 12\ months\ since\ the\ end\ of\ 2020\right)\end{array}}$$

(13) Water saved in month of implementation:

Water saved in month of implementation shall be calculated by deducting monthly unreported real loss with intervention from monthly unreported real loss without intervention.

(14) Marginal avoided cost of water:

(A) At the beginning of 2022, the marginal avoided cost of water shall be calculated as follows:

$$\text{Avoided cost of alternative supplies} \times \left(1 + \text{Rise in price of water} \left[\frac{acre-feet/year^2}{month}\right] \times \left(\frac{1\ year}{12\ months}\right)^2 \times 24 \text{ months from 2020}\right)$$

(B) After 2022 begins, the marginal avoided cost of water shall be calculated as follows:

$$\text{Avoided cost of alternative supplies} \times \left(1 + \text{Rise in price of water} \left[\frac{acre-feet/year^2}{month}\right] \times \left(\frac{1\ year}{12\ months}\right) \times (\text{month of implementation} - 1)\right)$$

(15) Value of water loss reduced in each month:

Value of water loss reduced in each month shall be calculated as follows:

(water loss occuring without intervention - water loss occuring with intervention)
× Marginal cost of water in each time step

(16) Present value of water loss reduced each month:
Present value of water loss reduced each month shall be calculated as follows:

$$\frac{\text{Future value of water reduced}}{\left(1 + \text{discount rate} \times \frac{1\ year}{12\ months}\right)^{\text{month of implementation}}}$$

(17) Cost of leak detection during each month:
Cost of leak detection during each month shall be the product of average leak detection survey frequency in miles surveyed each month and average cost of leak detection surveying per mile.

(18) Initial leakage level for part surveyed each month:
(A) Before one full leak detection survey has been completed, then unreported leakage per month shall be calculated as follows:

$$\text{Unreported leakage per part of system}\left[\frac{acre-feet}{year}\right] + \text{month of implementation} \times \left(\frac{1\ year}{12\ months}\right) \times \text{Rate of rise in leakage}\left[\frac{acre-feet/year^2}{month}\right]$$

(B) After the entire system has been surveyed once, unreported leakage per month shall be calculated as follows:

$$\text{Rate of rise in leakage}\left[\frac{acre-feet/year^2}{month}\right] \times \left(\frac{1\ year}{12\ months}\right) \times \text{Months taken to survey whole system}$$

(19) Average volume per leak per year:
Average volume per leak per year shall be calculated as follows:

$$\frac{\left(\frac{Volume\ leakage\ from\ mains\ [acre-feet/leak/year] \times Total\ Unreported\ leaks\ on\ mains\ \left[\frac{\#\ leaks}{year}\right]}{\left(Total\ unreported\ leaks\ on\ mains\ \left[\frac{\#\ leaks}{year}\right] + Total\ Unreported\ leaks\ on\ service\ connections\ \left[\frac{\#\ leaks}{year}\right]\right)}\right)}{+\left(\frac{Volume\ of\ leakage\ from\ service\ connections\ [acre-feet/leak/year] \times Total\ Unreported\ Leaks\ on\ service\ connections\ \left[\frac{\#\ leaks}{year}\right]}{\left(Total\ Unreported\ Leaks\ on\ main\ \left[\frac{\#\ leaks}{year}\right] + Total\ Unreported\ Leaks\ on\ service\ connections\ \left[\frac{\#\ leaks}{year}\right]\right)}\right)}$$

(20) Volume of leakage from mains:
Volume of leakage from mains per leak per year shall be calculated as follows:

$$\frac{Estimated\ average\ flow\ rate\ for\ unreported\ leaks\ on\ mains\ \left[\frac{gallons}{minute}\right]}{\times \left(\frac{60\ minutes}{1\ hour}\right) \times \left(\frac{24\ hours}{1\ day}\right) \times \left(\frac{365\ days}{1\ year}\right) \times \left(\frac{1\ acre-foot}{325{,}851\ gallons}\right)}$$

(21) Volume of leakage from service connections:
Volume of leakage from service connections per leak per year shall be calculated as follows:

$$\frac{Estimated\ average\ flow\ rate\ for\ unreported\ leaks\ on\ service\ connections\ \left[\frac{gallons}{minute}\right]}{\times\left(\frac{60\ minutes}{1\ hour}\right)\times\left(\frac{24\ hours}{1\ day}\right)\times\left(\frac{365\ days}{1\ year}\right)\times\left(\frac{1\ acre-foot}{325{,}851\ gallons}\right)}$$

(22) Leaks found per part of the system:

Leaks found per part of the system is calculated for each month as follows:

$$\frac{\text{Initial leakage for part of system surveyed}}{\text{Annual unreported leakage}}\times \text{~~(Number of total unreported leaks on mains and service connections)~~}\left(\frac{(Initial\ Leakage\ Level\ for\ part\ surveyed\ each\ month\ [acre-feet/year])}{Average\ Volume\ per\ Leak\ \left[\frac{acre-feet/year}{leak}\right]}\right)$$

(23) Cost of leak repair during each month:

Cost of leak repair during each month shall be calculated as follows:

$$\frac{Leaks\ found\ per\ part\ of\ system\ with\ intervention\ [\#leaks]\div Efficiency\ of\ Leak\ Detection\ Equipment\ [percent]}{\left(\frac{Unreported\ leakage\ per\ month}{\left(\frac{Annual\ unreported\ leakage}{Efficiency\ of\ leak\ detection\ equipment}\right)}\right)}\times\left(\left(\frac{Total\ Unreported\ Leakage\ on\ mains\ \left[\frac{\#\ leaks}{year}\right]}{\left(Total\ Unreported\ leaks\ on\ mains\ \left[\frac{\#\ leaks}{year}\right]+Total\ Unreported\ leaks\ on\ service\ connections\ \left[\frac{\#\ leaks}{year}\right]\right)}\times Repair\ costs\ for\ leaks\ on\ mains\ \left[\frac{\$}{leak\ repaired}\right]\right)+\left(\frac{Total\ Unreported\ Leakage\ on\ service\ connections\ \left[\frac{\#\ leaks}{year}\right]}{\left(Total\ Unreported\ leaks\ on\ mains\ \left[\frac{\#\ leaks}{year}\right]+Total\ Unreported\ leaks\ on\ service\ connections\ \left[\frac{\#\ leaks}{year}\right]\right)}\times Repair\ costs\ for\ leaks\ on\ service\ connections\ \left[\frac{\$}{leak\ repaired}\right]\right)\right)$$

~~× (Number of unreported leaks on mains~~
~~× Average unit leak repair cost for mains~~
~~+ Number of unreported leaks on laterals and service lines~~
~~× Average unit leak repair costs for laterals and service lines per leak)~~

(24) Total leak detection and repair cost for each month:

Total leak detection and repair cost for each month shall be the sum of cost of leak detection during each month plus cost of leak repair during each month.

(25) Present value of cost for each month:

Present value of cost for each month shall be calculated as follows:

$$\frac{\text{Future cost of leak detection and repair}}{\left(1+\text{discount rate}\times\frac{1}{12}years\right)^{\text{month of implementation}}}$$

(26) Present value of net benefit in month of implementation:

Present value of net benefit in month of implementation shall be calculated by deducting present value of cost for each month from present value of benefit for each month.

(27) Present value of net benefit over 30 years:

Present value of net benefit over 30 years is the sum of present value of net benefit in month of implementation summed from January 1, 2022, through December 31, 2051.

(28) Benefit to cost ratio until 2028:
The Benefit to cost ratio until 2028 is the sum of present value of benefit for each month from January 2022 through December 2027 divided by the sum of the p~~P~~resent value of cost for each month from January 2022 through December 2027.

(b) ~~(1)~~ Each urban retail water supplier's real water loss standard shall be ~~the sum of annual reported leakage plus annual background leakage plus unreported leakage over 2027, as follows.~~:

(1~~2~~) If the present value of net benefit over 30 years is negative, ~~the real water loss standard is increased to the point at which the present value of the net benefit is positive, if possible. If a non-negative net benefit is not possible,~~ the real water loss standard is equal to the average baseline real loss.

(2~~3~~) If the present value of net benefit over 30 years is zero or positive, the real water loss standard is equal to the sum of annual background leakage plus annual reported leakage plus unreported leakage for~~ever~~ 2027.

(c) For purposes of subdivision (a) of this section, each input value, except real discount rate, average annual rise in price of water, and effective timeline for lifecycle benefit-cost analysis, shall be either the default value identified in section 980, or the supplier's own value if adequately supported by documentation submitted to the board. Average annual rise in price of water shall be either the default value identified in section 980 or the supplier's own value if the requirements in section 984 subdivision (b) are met. If the board concludes that any specific value used by a supplier is not adequately supported by documentation, the board shall promptly communicate that deficiency to the supplier with a timeline within which to cure the deficiency.

(d) (1) Suppliers may apply for a real water loss standard of 16 gallons per connection per day if the supplier has an average baseline real loss of 16 gallons per connection per day or less and~~The real water loss standard for an urban retail water supplier whose average baseline real loss is 16 gallons per connection per day or less, or, for an urban retail water supplier that reports real loss in gallons per mile per day in the annual audit, 1,184 gallons per mile per day or less, is not less than 16 gallons per connection per day, or, for an urban retail water supplier that reports real loss in gallons per mile per day in the annual audit, 1,184 gallons per mile per day, assessed on a three-year average basis every three years beginning 2028, if~~ the supplier also meets the following criteria for its annual audits:

(A) The supplier does not show a year-to-year variability higher than 10 gallons per connection per day ~~for suppliers reporting in gallons per connection per day or 740 gallons per mile per day for suppliers reporting in gallons per mile per day~~ for real loss on any annual audit for the years

used to calculate the average real loss pursuant to paragraph (3) of this subdivision ~~2017, 2018, 2019, and 2020~~.

(B) For a supplier that has reported a negative value for ~~the~~its real loss for any of the years used to calculate the average real loss pursuant to paragraph (3) of this subdivision~~2017, 2018, 2019, or 2020~~, it has identified the cause for the negative value and documented the steps taken to correct it.

(C) The supplier's water from own sources, imported water, and exported water are completely metered.

(D) If the supplier's water from own sources is greater than 5% of the total water supplied, the supplier demonstrates that meters measuring at least 95% of the total produced volume are tested on at least an annual basis.

(E) If the supplier's imported water volume is greater than 5% of the total water supplied, the supplier demonstrates that meters measuring at least 95% of the total imported volume are calibrated on at least an annual basis.

(F) If the supplier's exported water volume is greater than 5% of the total water supplied, the supplier demonstrates that meters measuring at least 95% of the total exported volume are tested on at least an annual basis.

(G) All customer accounts, excluding those providing fire-flow, are metered, with at least 90% success rates in meter reading.

(H) A statistically significant sample of customer meters, as determined by the supplier, or 300 meters, whichever is lower, are tested annually.

(I) If the unbilled metered water volume is higher than 1% of the total water supplied, the supplier reads the meters for accounts that are supplied through unbilled metered water accounts at the same or greater frequency as the supplier reads the meters for the majority of customers.

(2) ~~This subdivision shall only apply to urban retail water suppliers that submit, on or before January 1, 2023, supporting documentation to demonstrate they meet the real loss and data quality criteria of this subdivision.~~ If a supplier that ~~would otherwise~~ meets the ~~above~~ criteria of this subdivision, except that it is unable to meet the criteria for ~~subdivision (d)(1)~~ paragraphs~~sections~~ (D), (E), or (F) of subdivision (d)(1) due to aspects outside of ~~their~~ its control, such as not having access to calibrate water meters owned by other entities or not being able to move large meters, then ~~they~~ it may petition to be exempted from criteria involving only those aspects outside of their control. This petition may be granted at the discretion of the Board and may include provisions, such as a requirement to calibrate rather than test a meter or to request in writing that water meters be tested and/or calibrated by the entities that own them.

(3) For the purposes of this subdivision, average real loss shall be calculated using the following years of data:

(A) The original baseline period, which consists of data for the years 2017, 2018, 2019, and 2020, provided the submission is received by July 1, 2023; or

(B) Data for any three consecutive years, provided those years are within five years of the submission date.

~~(4) An urban retail water supplier whose average real loss reported for the years 2021 and 2022 is 16 gallons per connection per day or less, or, for an urban retail water supplier that reports real loss in gallons per mile per day in the annual audit, 1,184 gallons per mile per day or less, shall maintain real loss at or not less than 16 gallons per connection per day, or, for an urban retail water supplier that reports real loss in gallons per mile per day in the annual audit, 1,184 gallons per mile per day, assessed on a three-year average basis every three years beginning 2028, provided that the supplier also meets the criteria identified in subdivision (d)(1) of this section in its annual audits, except that for subdivisions (d)(1)(A) and (B) the supplier's data shall be for the years 2021 and 2022.~~

(4) This subdivision shall only apply to urban retail water suppliers that submit supporting documentation to demonstrate that their average baseline real loss is 16 gallons per connection per day or less and that they have met the data quality criteria of this subdivision. Submissions on or before July 1, 2023, will take effect immediately. Submissions received after July 1, 2023, will take effect in the next compliance period, exempting suppliers from the reporting requirements in section 983 for subsequent compliance periods.

Authority: Sections 1058, 10608.34, Water Code.
References: Article X, Section 2, California Constitution; Section 116275, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, and 10608.34, Water Code.

§ 983. Questionnaires and Reporting Requirements

(a) Each urban retail water supplier, except those meeting the criteria in section 982, subdivision (d), shall submit responses to specific questions developed by the board on metering practices and data handling that influence data quality for water loss audits by July 1, 2023. Questions shall solicit information on the following:

(1) The proportion of source/production water withdrawals that is metered
(2) The program for regular flow testing of its production and source meters for accuracy
(3) Frequency with which source meters are tested
(4) The program for regular electronic calibration of secondary instrumentation that supports source or production meters, including the frequency of calibration
(5) The proportion of authorized consumption that is measured by customer meters
(6) The program for regular flow testing of customer meters for accuracy

(7) Frequency with which customer meters are flow tested to determine accuracy
(8) Types of data handling and billing errors identified in the prior year

(b) Each urban retail water supplier, except those meeting the criteria in section 982, subdivision (d), shall submit responses to specific questions developed by the board on pressure management practices and associated estimated real loss reduction that influence data quality for water loss audits by July 1, 2023, and updated responses by July 1, 2026. Questions shall solicit information on the following:
(1) Devices used to control pressure transients in the water distribution system
(2) Inspection, maintenance and repair of devices installed for controlling pressure transients in the distribution system
(3) Inspection, maintenance and repair of pressure reducing/modulating valves in the distribution system
(4) Frequency with which each device for controlling pressure transients is inspected
(5) Portions of the system that have high operating pressure
(6) Potential for reducing or modulating pressure to reduce leakage
(7) For update response due by July 1, 2026, approach to reduce leakage in high leakage zones
(8) For update response due by July 1, 2026, whether pressure management can be implemented while meeting water quality and fire flow requirements for the distribution system
(9) Estimated feasible water loss reduction as a result of pressure management, projected to 2035.

(c) Each urban retail water supplier, except those meeting the criteria in section 982, subdivision (d), shall submit responses to specific questions developed by the board on asset management practices and associated estimated real loss reduction that influence data quality for water loss audits by July 1, 2024, and updated responses by July 1, 2027. Questions shall solicit information on the following:
(1) Maintenance of records regarding distribution infrastructure failures
(2) Data fields included in infrastructure failure records
(3) Approach to identifying and prioritizing replacement, rehabilitation, or protection of water distribution infrastructure components that break or leak, including system and environmental factors
(4) <u>Any other supplier cost related to asset management or information that may suggest water loss control past the point of long term cost-effectiveness.</u>
(5) For update response due by July 1, 2027, total projected length of water distribution pipe in miles replaced in each year between 2027 and 2035
(6) For update response due by July 1, 2027, the actual length of water distribution pipe in miles replaced on an average basis annually between 2024 and 2027
(7) For update response due by July 1, 2027, projections regarding distribution infrastructure components that will be replaced, rehabilitated, or provided enhanced protection through 2035

(8) For update response due by July 1, 2027, estimated feasible water loss reduction, projected to 2035

(d) Each urban retail water supplier, except those meeting the criteria in section 982, subdivision (d), shall ~~annually~~ submit a~~their~~ registry of breaks, repairs, and estimated water losses to the ~~State Water~~ Board every three years.

(1) The registry shall contain the latest three years of data, beginning with data for ~~2023~~2025, 2026, and 2027 due by January 1, 2029.

(2) The registry shall be submitted on a spreadsheet readable by the Board that contains at a minimum the following data: ~~brake~~ break identifier (for example~~e.g.~~, name, number, cross street), date and time the break was found, date and time the break was repaired, estimated duration of the break, and estimated water volume lost through the break. The Board will make a template available on its website.

(3) The deadline for this submission is identical to the water audit submission deadline for the third~~same~~ year's audit, as described in Water Code section 10608.34, subdivision (b).

Authority: Sections 1058, 10608.34, Water Code.

References: Article X, Section 2, California Constitution; Section 116275, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, and 10608.34, Water Code.

§ 984. Adjustments

(a) An urban retail water supplier may submit to the Board~~, no later than July 1, 2023,~~ a request for a parameter adjustment to its real water loss standard based on ~~utility~~ system-specific conditions affecting operations and system conditions.

(b) A request for a parameter adjustment must include a description of specific ~~default~~ parameter~~s~~ input(s) or data that would be adjusted, documentation supporting the request, and an assessment of change~~simpacts~~ from the adjustment of input(s).

(1) A ~~water~~ supplier may request~~apply~~ to use a different rise in price of water if the supplier demonstrates that the alternative value:

(A) Is not less than the real discount rate, 3.5 percent; and

(B) Has been developed and certified by a licensed engineer.

(c) Parameter adjustment requests submitted after July 1, 2023, will not be accepted unless accompanied by a satisfactory explanation for the supplier's inability to submit that request prior to that date. Satisfactory explanations include that the supplier, with reasonable diligence, did not yet have access to measured data necessary for parameter calculations or that the supplier is replacing obsolete data with more recent, higher-quality data.

~~(d) The executive director, or executive director's designee, shall provide a decision on a request to adjust an urban retail water supplier's real water loss standard made pursuant to subdivision (a) within 90 days of receiving the request and supporting documentation. This may be extended by the executive director or the~~

~~executive director's designee upon a determination that the supporting documentation is insufficient.~~

(d) Suppliers that have completed a hydraulic consolidation shall report to the Board within one year and submit the following information:
  (1) The names and identification numbers of all involved systems;
  (2) The date of consolidation;
  (3) Map(s) showing service areas of all involved systems.

(e) If a supplier hydraulically consolidates another system within its service area, the supplier will have a period of 5 years before being given ~~a~~ new ~~real~~ water loss standards.
  (1) The supplier must continue to submit annual water loss audits, incorporating the consolidated system into its own audit no more than one year after consolidation.
  (2) In the time period after the consolidation occurs but before the new ~~real~~ water loss standards ~~is~~ are given, the supplier will have no ~~real~~ water loss standards and will not be evaluated for compliance with a ~~real~~ water loss standard.
  (3) For each year the supplier has no real water loss standard, it must survey at least as frequently as the previous period and submit documentation of this requirement to the Board within 6 months of the end of each year.
  (4) New real water loss standards will be assessed pursuant to section 981 subdivision (c) starting one full compliance period after the new real water loss standard is assigned.

(f) Any other adjustment requests may be submitted to the Board at any time and will be considered based on the merits of the proposed change.
  (1) Suppliers that have model inputs that changed significantly from the baseline period may request an adjustment to their water loss standards by submitting a request that includes the following:
    (A) Data for a new baseline period, which consists of 4 consecutive years of water audit data;
    (B) An explanation for why the data in the new baseline period is more appropriate than the data in the previous baseline period. Satisfactory explanations include better data quality in the new baseline period and that more recent data can better represent a system that has changed.
  (2) Staff can initiate an adjustment process for any system that has significant changes in data compared to the baseline if at least 3 compliance assessments have passed.

(g) The executive director, or executive director's designee, shall provide a written decision on a request to adjust an urban retail water supplier's real water loss standard made pursuant to subdivision (a) within 90 days of receiving the request and supporting documentation. This may be extended by the executive director or the executive director's designee upon a determination that the supporting documentation is insufficient.

Authority: Sections 1058, 10608.34, Water Code.

References: Article X, Section 2, California Constitution; Section 116275, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, and 10608.34, Water Code.

§ 985. Variances

(a) An urban retail water supplier may seek approval of a variance to its real water loss standard if needed to respond to unexpected adverse conditions out of the systemutility's control or where a supplier's real water loss standard has been set according to section 982 (b)(12). Examples of adverse conditions out of the systemutility's control include major damage to the systemutility's distribution system or storage infrastructure, major unexpected changes in avoided water costs, and major changes in the systemutility's financial situation (for examplee.g., bankruptcy or substantial loss of revenue). Drought shall not generally support a variance pursuant to this section.

(b) Any request for a variance for adverse conditionsreal loss standards shall include a description and assessment of impacts from the identified adverse condition, a clearly identified need for the revision, a proposed schedule, or milestones, for return to the usual real water loss standard, and documentation supporting the request.

(c) Any request for a variance based on a real water loss standard being set according to section 982 (b)(12) shall include a description of water loss control activities during the baseline period, the costs of water loss control activities during the baseline period, and an evaluation of the monetary value of water saved by those water loss control activities. To be approved, the request must demonstrate that the water loss control activities during the baseline period were not cost-effective long term.

(d) TheA variance for adverse conditionsreal loss standards shall be in the form of an extension of the compliance period. Notwithstanding section 981(c), a supplier with an approved variance based on subdivision (c) of this section shall maintain, for each compliance assessment, real loss that is no greater than 10 gallons per connection per day above the supplier's average baseline real loss.or an temporary adjustment of the real loss standard identified in section 982 for the urban retail water supplier.

(e) An urban retail water supplier may seek approval of a variance to its apparent loss standard if increases from the average baseline apparent loss level are attributable to improvements in data validity. A variance may be approved after finding that for two consecutive years the water supplier's validated annual audits show data entries have improved to a data grading value of 6 or higher for the following audit data entries:

(1) customer metering inaccuracies; or

(2) all entries under the heading "water supplied":

(A) volume from own sources;

(B) master meter and supply error adjustment;
(C) water imported (when more than 5% of total water supplied); and
(D) water exported (when more than 5% of total water supplied).

(f) The variance for apparent loss standards shall be in the form of an adjustment of the apparent loss standard identified in section 981(d).

(g) The executive director, or the executive director's designee, shall provide prompt decisions on requests for variances.

Authority: Sections 1058, 10608.34, Water Code.

References: Article X, Section 2, California Constitution; Section 116275, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, and 10608.34, Water Code.

§ 986. Additional Conservation Tools

(a)(1) When an urban retail water supplier does not meet its real water loss standard required by section 981, the executive director, or the executive director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its real water~~water~~ loss standard. Prior to issuance of a conservation order, the Board will provide the supplier an indication of their noncompliance and seek to resolve the noncompliance informally, including through alternative enforceable agreements with the supplier. Informal resolutions of noncompliance will be sought for all systems, and particularly for suppliers that have met the provisions of section 981 (~~g~~h) or (~~h~~i).

(2) A decision or order issued under this article by the board or an officer or employee of the board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.

(b) The executive director, or the executive director's designee, may issue an informational order requiring an urban retail water supplier to submit additional information relating to water loss. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to $500 per day for each day the violation continues pursuant to Water Code section 1846.

(c) Submitting any information pursuant to this article that the person who submits the information knows or should have known is materially false is a violation of this article and is punishable by civil liability of up to five hundred dollars ($500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to and does not supersede or limit any other remedies, civil or criminal.

Authority: Sections 1058, 10608.34, Water Code.

References: Article X, Section 2, California Constitution; Section 116275, Health and Safety Code; Sections 102, 104, 105, 350, 516, 1846, 10608.12, and 10608.34, Water Code.

Title 23. Waters
Division 3. State Water Resources Control Board and Regional Water Quality Control Boards
Chapter 3.5. Urban Water Use Efficiency and Conservation
~~Article 1~~Article 2. Reporting
…

~~Article 2~~ Article 3. Prevention of Drought Wasteful Water Uses
…

Executive Committee
Agenda Item: 8

Date: November 7, 2022

Subject: Expenditure Report

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of September 2022, then forward the report onto the November 21, 2022 Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

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

Conclusion:

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

Accrual Basis

Rio Linda Elverta Community Water District
Expenditure Report
September 2022

Type	Date	Num	Name	Memo	Amount
Liability Check	09/07/2022	EFT	QuickBooks Payroll Service	For PP Ending 09/03/22 Pay date 09/08/22	18,987.71
Liability Check	09/08/2022	EFT	CalPERS	For PP Ending 09/03/22 Pay date 09/08/22	3,007.47
Liability Check	09/08/2022	EFT	CalPERS	For PP Ending 09/03/22 Pay date 09/08/22	1,147.92
Liability Check	09/08/2022	EFT	Internal Revenue Service	Employment Taxes	7,460.70
Liability Check	09/08/2022	EFT	Employment Development	Employment Taxes	1,539.82
Liability Check	09/08/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,356.00
Bill Pmt -Check	09/08/2022	EFT	Adept Solutions	Computer Maintenance	1,208.00
Bill Pmt -Check	09/08/2022	EFT	Comcast	Phone/Internet	367.59
Bill Pmt -Check	09/08/2022	EFT	Republic Services	Utilities	44.76
Check	09/08/2022	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
Transfer	09/08/2022	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	49,500.00
Check	09/08/2022	2267	Customer	Final Bill Refund	87.05
Check	09/08/2022	2268	Customer	Final Bill Refund	40.00
Check	09/08/2022	2269	Customer	Final Bill Refund	96.20
Check	09/08/2022	2270	Customer	Final Bill Refund	53.47
Check	09/08/2022	2271	Customer	Final Bill Refund	48.91
Check	09/08/2022	2272	Customer	Final Bill Refund	28.48
Bill Pmt -Check	09/08/2022	2273	ABS Direct	Printing/ Postage	254.82
Bill Pmt -Check	09/08/2022	2274	ACWA/JPIA Powers Insurance Authority	EAP	23.80
Bill Pmt -Check	09/08/2022	2275	VOID	VOID	0.00
Bill Pmt -Check	09/08/2022	2276	BSK Associates	Lab Fees	1,854.00
Bill Pmt -Check	09/08/2022	2277	Corelogic Solutions	Metro Scan	134.75
Bill Pmt -Check	09/08/2022	2278	Intermedia.net	Telephone	94.28
Bill Pmt -Check	09/08/2022	2279	Quill	Office Expense	178.07
Bill Pmt -Check	09/08/2022	2280	Rio Linda Elverta Recreation & Park	Meeting Fees	25.00
Bill Pmt -Check	09/08/2022	2281	Rio Linda Hardware & Building Supply	Shop Supplies	256.87
Bill Pmt -Check	09/08/2022	2282	RW Trucking	Distribution Supplies	731.61
Bill Pmt -Check	09/08/2022	2283	Sierra Chemical Company	Chemical Supplies	1,243.44
Bill Pmt -Check	09/08/2022	2284	SMUD	Utilities	27,553.04
Bill Pmt -Check	09/08/2022	2285	Spok Inc.	Field Communication	15.42
Bill Pmt -Check	09/08/2022	2286	Vanguard Cleaning Systems	Janitorial	195.00
Check	09/08/2022	2287	Teamsters	Union Dues	720.00
Check	09/12/2022	EFT	Sacramento Metropolitan Air Quality	Permits	2,152.75
Liability Check	09/21/2022	EFT	QuickBooks Payroll Service	For PP Ending 09/17/22 Pay date 09/22/22	17,718.90
Liability Check	09/22/2022	EFT	CalPERS	For PP Ending 09/17/22 Pay date 09/22/22	3,007.47
Liability Check	09/22/2022	EFT	CalPERS	For PP Ending 09/17/22 Pay date 09/22/22	1,147.92
Liability Check	09/22/2022	EFT	Internal Revenue Service	Employment Taxes	6,903.00
Liability Check	09/22/2022	EFT	Employment Development	Employment Taxes	1,372.39
Liability Check	09/22/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,336.64
Bill Pmt -Check	09/17/2022	EFT	ARCO	Transportation Fuel	995.44
Liability Check	09/22/2022	EFT	Kaiser Permanente	Health Insurance	1,777.00
Bill Pmt -Check	09/22/2022	EFT	PGE	Utilities	53.02

Rio Linda Elverta Community Water District
Expenditure Report
September 2022

Type	Date	Num	Name	Memo	Amount
Liability Check	09/22/2022	EFT	Principal	Dental & Vision Insurance	1,644.54
Bill Pmt -Check	09/22/2022	EFT	Umpqua Bank Credit Card	Backflow Testing, Computer, Construction Eq Maint , Office, Postage, Pumping Maint	1,905.43
Liability Check	09/22/2022	EFT	Western Health Advantage	Health Insurance	10,909.42
Check	09/22/2022	EFT	Wageworks	FSA Administration Fee	76.25
Bill Pmt -Check	09/22/2022	EFT	Verizon	Field Communication, Field IT	720.96
Bill Pmt -Check	09/22/2022	EFT	Voyager Fleet	Fuel	450.65
Check	09/22/2022	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	87,815.83
Check	09/22/2022	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	73,035.24
Check	09/22/2022	EFT	RLECWD	Transfer to Operating Reserves Budget 22-23	28,273.00
Check	09/22/2022	2288	County of Sacramento	Utilities	477.75
Bill Pmt -Check	09/22/2022	2289	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	09/22/2022	2290	Pacific Premier Bank	Surcharge 2 Loan Payment	156,902.67
Bill Pmt -Check	09/22/2022	2291	Pacific Shredding	Office Expense	36.96
Bill Pmt -Check	09/22/2022	2292	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	09/22/2022	2293	Sierra Chemical Company	Treatment	1,149.24
Bill Pmt -Check	09/22/2022	2294	Tak Communications CA	Contract Repairs	11,519.32
Bill Pmt -Check	09/22/2022	2295	Unifirst Corporation	Uniforms	385.13
Bill Pmt -Check	09/22/2022	2296	USA Bluebook	Pumping Maint, Treatment	683.36
Total 10000 · Bank - Operating Account					**554,818.16**

Rio Linda Elverta Community Water District
Expenditure Report
September 2022

Type	Date	Num	Payee	Memo	Amount
Check	09/22/2022	EFT	RLECWD	Surcharge 2 Loan Payment	156,902.67
10375 · Surcharge Account 2					**156,902.67**

Executive Committee
Agenda Item:9

Date: November 7, 2022

Subject: Financial Statements

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee should review the Finance Reports of the District for the month of September 2022, then forward the report onto the November 21, 2022 Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

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

Conclusion:

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

Rio Linda Elverta Community Water District
Balance Sheet
As of September 30, 2022

ASSETS	
Current Assets	
Checking/Savings	
100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund-Umpqua	1,473,786.09
Total 10000 · Operating Account	1,473,786.09
10475 · Capital Improvement	
10480 · General	394,897.08
10481 · Cr6 Mitigation	454,500.00
10485 · Vehicle Replacement Reserve	17,948.49
Total 10450 · Capital Improvement	867,345.57
10490 · Future Capital Imp Projects	1,630,761.31
Total 100 · Cash & Cash Equivalents	3,971,892.97
102 · Restricted Assets	
102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge Reserve	495,886.82
10300 · Surcharge 1 Account	881,150.53
10350 · Umpqua Bank Debt Service	85,330.94
10380 · Surcharge 2 Account	198,209.56
10385 · OpusBank Checking	557,865.70
Total 102.2 · Restricted for Debt Service	2,218,443.55
102.4 · Restricted Other Purposes	
10600 · LAIF Account	411,558.45
10650 · Operating Reserve Fund	337,431.33
Total 102.4 · Restricted Other Purposes	748,989.78
Total 102 · Restricted Assets	2,967,433.33
Total Checking/Savings	6,939,326.30
Accounts Receivable	219,859.16
Other Current Assets	
12000 · Water Utility Receivable	805,943.59
12200 · Accrued Revenue	0.00
12250 · Accrued Interest Receivable	1,305.12
15000 · Inventory Asset	52,310.62
16000 · Prepaid Expense	86,595.48
Total Other Current Assets	946,154.81
Total Current Assets	8,105,340.27
Fixed Assets	
17000 · General Plant Assets	685,384.68
17100 · Water System Facilites	25,039,859.58
17300 · Intangible Assets	373,043.42
17500 · Accum Depreciation & Amort	-11,137,668.41
18000 · Construction in Progress	424,288.05
18100 · Land	576,673.45
Total Fixed Assets	15,961,580.77
Other Assets	
18500 · ADP CalPERS Receivable	470,000.00
19000 · Deferred Outflows	729,108.00
19900 · Suspense Account	0.00
Total Other Assets	1,199,108.00
TOTAL ASSETS	**25,266,029.04**

Rio Linda Elverta Community Water District
Balance Sheet
As of September 30, 2022

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	65,284.80
Credit Cards	72.00
Other Current Liabilities	944,837.33
Total Current Liabilities	1,010,194.13
Long Term Liabilities	
23000 · OPEB Liability	81,433.00
23500 · Lease Buy-Back	558,032.27
25000 · Surcharge 1 Loan	3,094,197.71
25050 · Surcharge 2 Loan	2,325,040.16
26000 · Water Rev Refunding	1,506,424.00
26500 · ADP CalPERS Loan	440,000.00
27000 · Community Business Bank	140,123.22
29000 · Net Pension Liability	1,117,944.00
29500 · Deferred Inflows-Pension	39,277.00
29600 · Deferred Inflows-OPEB	74,020.00
Total Long Term Liabilities	9,376,491.36
Total Liabilities	10,386,685.49
Equity	
31500 · Invested in Capital Assets, Net	8,829,942.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	4,658,518.42
Net Income	685,657.43
Total Equity	14,879,343.55
TOTAL LIABILITIES & EQUITY	**25,266,029.04**

Accrual Basis

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
As of September 30, 2022

	Annual Budget	Sep 22	Jul 22-Jun 23	% of Annual Budget	YTD Annual Budget Balance
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	3,040,800.00	535,340.47	923,478.50	30.37%	2,117,321.50
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.28	9.47	27.06%	25.53
Surcharg Total 41110 · Investment Revenue	35.00	3.28	9.47	27.06%	25.53
41120 · Property Tax	109,100.00	0.00	2,801.65	2.57%	106,298.35
Total 41000 · Nonoperating Revenue	109,135.00	3.28	2,811.12	2.58%	106,323.88
Total Income	3,149,935.00	535,343.75	926,289.62	29.41%	2,223,645.38
Gross Income	3,149,935.00	535,343.75	926,289.62	29.41%	2,223,645.38
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	108,200.00	9,671.30	20,072.02	18.55%	88,127.98
60100 · Personnel Services					
60110 · Salaries & Wages	810,243.00	58,187.71	164,055.35	20.25%	646,187.65
60150 · Employee Benefits & Expense	496,340.00	34,709.88	94,509.53	19.04%	401,830.47
Total 60100 · Personnel Services	1,306,583.00	92,897.59	258,564.88	19.79%	1,048,018.12
60200 · Administration	236,251.00	14,244.59	73,283.32	31.02%	162,967.68
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	603,630.00	60,433.29	155,241.96	25.72%	448,388.04
Total 60000 · Operating Expenses	2,254,964.00	177,246.77	507,162.18	22.49%	1,747,801.82
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	152,273.00	0.00	0.00	0.00%	152,273.00
69110 · Interest	48,650.00	0.00	0.00	0.00%	48,650.00
Total 69100 · Revenue Bond	200,923.00	0.00	0.00	0.00%	200,923.00
69125 · AMI Meter Loan					
69130 · Principle	52,948.00	0.00	26,652.61	50.34%	26,295.39
69135 · Interest	5,566.00	0.00	2,604.35	46.79%	2,961.65
Total 69125 · AMI Meter Loan	58,514.00	0.00	29,256.96	50.00%	29,257.04
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,739.00	0.00	0.00	0.00%	1,739.00
Total 69100 · PERS ADP Loan	31,739.00	0.00	0.00	0.00%	31,739.00
Total 69010 · Debt Service	291,176.00	0.00	29,256.96	10.05%	261,919.04
69400 · Other Non-Operating Expense	3,000.00	0.00	0.00	0.00%	3,000.00
Total 69000 · Non-Operating Expenses	294,176.00	0.00	29,256.96	9.95%	264,919.04
Total Expense	2,549,140.00	177,246.77	536,419.14	21.04%	2,012,720.86
Net Ordinary Income	600,795.00	358,096.98	389,870.48		
Net Income	**600,795.00**	**358,096.98**	**389,870.48**		

Accrual Basis

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2022-23
As of September 30, 2022

	GENERAL		FUTURE CAPITAL IMPROVEMENT PROJECTS		VEHICLE & LARGE EQUIPMENT REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	594,000.00	148,500.00	-	-	-	-
Operating Fund Transfers Out	(59,000.00)	-				
CIP Fund Intrafund Transfers	(312,737.00)	-	302,737.00	-	10,000.00	-
PERS ADP Loan Payment						
Principle			30,000.00	-		
Interest			1,739.00	-		
Investment Revenue	85.00	21.44	110.00	41.94	-	-
PROJECTS						
A · WATER SUPPLY	-					
A-1 · Miscellaneous Pump Replacements	40,000.00	-				
Total A · WATER SUPPLY	**40,000.00**	**-**	**-**	**-**	**-**	**-**
B · WATER DISTRIBUTION						
B-1 · Service Replacements	30,000.00	-	-	-	-	-
B-2 · Small Meter Replacements	120,000.00	10,796.50	-	-	-	-
B-3 · Large Meter Replacements	5,000.00	-	-	-	-	-
B-4 · Pipeline Replacement	-	-	478,844.00	79,650.00	-	-
Total B · WATER DISTRIBUTION	**155,000.00**	**10,796.50**	**478,844.00**	**79,650.00**	**-**	**-**
M · GENERAL PLANT ASSETS						
M-1 · Urban Water Management Plan	50,000.00	50,000.00	-	-	-	-
Total M · GENERAL PLANT ASSETS	**50,000.00**	**50,000.00**	**-**	**-**	**-**	**-**
TOTAL BUDGETED PROJECT EXPENDITURES	**245,000.00**	**60,796.50**	**478,844.00**	**79,650.00**	**-**	**-**

Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
July - September 2022

	Annual Budget	Jul-Sep 22 Current QTR	Jul 22-Jun 23 YTD	% of Annual Budget	YTD Annual Budget Balance
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	1,000.00	745.67	745.67	74.57%	254.33
	1,000.00	745.67	745.67	74.57%	254.33
44100 · Capacity Fee Revenue	500,000.00	386,400.00	386,400.00	77.28%	113,600.00
Total Income	501,000.00	387,145.67	387,145.67	77.28%	113,854.33
Gross Income	501,000.00	387,145.67	387,145.67	77.28%	113,854.33
Net Income	**501,000.00**	**387,145.67**	**387,145.67**		

Rio Linda Elverta Community Water District
Surcharge 1 Profit & Loss Budget Performance
July - September 2022

	Annual Budget	Jul-Sep 22 Current QTR	Jul 22-Jun 23 YTD	% of Annual Budget	YTD Annual Budget Balance
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	238.50	238.50	100.0%	-238.50
41112 · Interest Revenue	1,000.00	1,835.14	1,835.14	183.51%	-835.14
41113 · Market Value Adjustment	0.00	-8,322.20	-8,322.20	100.0%	8,322.20
	1,000.00	-6,248.56	-6,248.56	-624.86%	7,248.56
43010 · Surcharge 1 Revenue	523,374.00	116,128.34	116,128.34	22.19%	407,245.66
Total Income	524,374.00	109,879.78	109,879.78	20.95%	414,494.22
Gross Income	524,374.00	109,879.78	109,879.78	20.95%	414,494.22
Expense					
69150 · Surcharge 1 Loan					
69155 · Principle	379,389.00	0.00	0.00	0.0%	379,389.00
69160 · Interest	81,966.00	0.00	0.00	0.0%	81,966.00
69170 · Admin Fees	2,300.00	548.33	548.33	23.84%	1,751.67
Total 69150 · Surcharge 1 Loan	463,655.00	548.33	548.33	0.12%	463,106.67
Total Expense	463,655.00	548.33	548.33		
Net Income	**60,719.00**	**109,331.45**	**109,331.45**		

Accrual Basis

Rio Linda Elverta Community Water District
Surcharge 2 Profit & Loss Budget Performance
July - September 2022

	Annual Budget	Jul-Sep 22 Current QTR	Jul 22-Jun 23 YTD	% of Annual Budget	YTD Annual Budget Balance
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	500.00	20.43	20.43	4.09%	479.57
	500.00	20.43	20.43	4.09%	479.57
43050 · Surcharge 2 Revenue	439,019.00	96,575.19	96,575.19	22.0%	342,443.81
Total Income	439,519.00	96,595.62	96,595.62	21.98%	342,923.38
Gross Income	439,519.00	96,595.62	96,595.62	21.98%	342,923.38
Expense					
69175 · Surcharge 2 Loan					
69180 · Principle	230,000.00	115,000.00	115,000.00	50.0%	115,000.00
69185 · Interest	81,920.00	41,902.67	41,902.67	51.15%	40,017.33
Total 69175 · Surcharge 2 Loan	311,920.00	156,902.67	156,902.67	50.3%	155,017.33
Total Expense	311,920.00	156,902.67	156,902.67		
Net Income	**127,599.00**	**-60,307.05**	**-60,307.05**		

Tim Shaw

From: Johnson. Keith <johnsonke@saccounty.gov>
Sent: Wednesday, November 2, 2022 1:53 PM
To: Deborah Denning; Tim Shaw
Cc: Meschi. Mike
Subject: RE: CSA1 Ordinance Applicability for Public Agency Facilities Acquired from Private Sector
Attachments: CSA 1 Ordinance 1586.pdf; CSA 1 Ordinance 1543.pdf; CSA 1 Ordinance 1531.pdf; CSA 1 Ordinance 1331.pdf

Hi Deborah,

Regarding Mr Shaw's claim of an exemption from street light benefit assessments for parcels owned by the Rio Linda Water District, our County Counsel has reviewed this matter and agrees with SacDOT staff's determination that the District-owned parcel at 716 L Street is subject to the assessment levied within CSA NO.1. She provides the following analysis:

The County formed CSA No. 1 in 1986 via resolution and adopted Ordinance No. 1331 (see attached) in 1987 establishing procedures for the collection of charges within the service area. As you will note, the County initially exempted all property owned by local, state, and federal agencies from these charges (see definition of "exempt property" in section 2.6.1 of Ordinance No. 1331).

However, this ordinance was repealed by the County via Ordinance No. 1531 in 2005 (attached). Ordinance No. 1531 removed the exemption for public agencies, consistent with the requirements of section 4(a) of article 13D of the California Constitution, which provides "parcels within a district (i.e., CSA No. 1) that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."

The removal of the exemption for public agencies was carried forward by Ordinance No. 1543, which repealed and replaced Ordinance No. 1531 in 2006, and again in Ordinance No. 1586 in 2017 (the County's CSA No. 1 ordinance currently in effect). These two ordinances establish only two categories of parcels – residential and non-residential – and do not contain any exemptions from assessments for publicly-owned parcels.

I reviewed the correspondence from Mr. Shaw claiming an exemption from assessment pursuant to Government Code section 25210.2(f) and disagree that it applies here. That subsection provides that, under the CSA Law, a public agency owning land is considered a "landowner," unless the agency's real property at issue is a highway, right of way, easement, waterway, or canal. In other words, if the public property is being used as a highway or right-of-way, waterway, or canal, or if the public agency only "owns" an easement, then that particular property cannot be subject to assessment under the CSA Law. The District has indicated it acquired the parcel in fee to construct a reservoir – i.e., the property will not be used for a highway/right of way, or waterway, or canal, or an easement, and is therefore subject to the CSA No. 1 assessment.

If the District disputes the County's determination that the parcel on L street is being benefited by the presence of street lights along its frontage, it can certainly submit to the County written proof establishing, by clear and convincing evidence, that no such benefit exists. Under Proposition 218 (section 4(a) of article 13D of the California Constitution), that is the threshold they must meet to obtain an exemption from paying the CSA No. 1 assessment.

I am also happy to correspond with District's counsel if they have additional questions.

Thank you,

Keith Johnson, EIT
Assistant Civil Engineer, Maintenance & Operations Division
Sacramento County Department of Transportation

4111 Branch Center Road | Sacramento, CA 95827
Office (916) 875-5544 | Johnsonke@saccounty.gov

From: Deborah Denning <ddenning@rlecwd.com>
Sent: Wednesday, October 19, 2022 10:20 AM
To: Tim Shaw <GM@rlecwd.com>; Johnson. Keith <johnsonke@saccounty.gov>
Cc: Meschi. Mike <meschim@saccounty.gov>
Subject: RE: CSA1 Ordinance Applicability for Public Agency Facilities Acquired from Private Sector

We have just received the new 2022-2023 Secured Property Tax Bills. Where are we on resolving this issue? What do we need to do to remove the District from these assessments?

Deborah Denning, Accounting Specialist
Rio Linda/Elverta Community Water District
730 L Street
Rio Linda, CA 95673
(916) 991-1000 Ext 205

From: Tim Shaw <GM@rlecwd.com>
Sent: Tuesday, June 7, 2022 7:39 AM
To: Johnson. Keith <johnsonke@SacCounty.NET>
Cc: Meschi. Mike <meschim@SacCounty.NET>; Deborah Denning <ddenning@rlecwd.com>
Subject: RE: CSA1 Ordinance Applicability for Public Agency Facilities Acquired from Private Sector

Parcel No. 206-0253-018-000 at 716 L St.

Of the many parcels RLECWD owns, that is the only parcel assessed for CSA 1.

That parcel was privately owned until 2015, when RLECWD acquired the parcel to construct the 1.5-million gallon reservoir.

Timothy R. Shaw
General Manager
Rio Linda / Elverta Community Water District
(916) 991-8891

From: Johnson. Keith <johnsonke@SacCounty.NET>
Sent: Tuesday, June 7, 2022 7:28 AM
To: Tim Shaw <GM@rlecwd.com>
Cc: Meschi. Mike <meschim@SacCounty.NET>; Deborah Denning <ddenning@rlecwd.com>
Subject: RE: CSA1 Ordinance Applicability for Public Agency Facilities Acquired from Private Sector

Hi Tim and Deborah,

We will forward this issue to our County Counsel for an opinion and decision. Please let us know all of the parcel numbers that have CSA1 assessments that you are contesting, so we can fully review.

Thank you,

Keith Johnson, EIT
Assistant Civil Engineer, Maintenance & Operations Division
Sacramento County Department of Transportation