

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

November 27, 2023 (6:30 p.m.)

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

Our Mission is to provide a safe and reliable water supply in a cost-effective manner.

AGENDA

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

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

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

2. PUBLIC COMMENT

2.1. *Members of the public are invited to speak to the Board regarding items within the subject matter jurisdiction of the District that are not on the agenda or items on the consent agenda. Each speaker may address the Board once under Public Comment for a limit of 2 minutes. (Policy Manual § 2.01.160).*

3. CONSENT CALENDAR (Action items: Approve Consent Calendar Items)

3.1. Minutes

The Board is being asked to approve the Minutes from the October 23, 2023 Public Hearing and Regular Board Meeting.

3.2. Expenditures

The Executive Committee recommends the Board approve the September 2023 Expenditures.

3.3. Financial Reports

The Executive Committee recommends the Board approve the September 2023 Financial Report.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1. GM Report.

4.1.1. *The General Manager will provide his monthly report to the Board of Directors*

4.2. Public Works Projects Report.

4.2.1. *The Mike Vasquez will provide his monthly report to the Board of Directors.*

- 4.3. **Consider Authorizing the Filling of Three Water System Operator Positions via the District’s Lateral Transfer/Promotion Policy.**
- 4.4. **Consider Adopting Resolution 2023-08, to Update Exhibit 3 of Ordinance 2031-01, Hydrant Use Charges.**
- 4.5. **Board of Directors Vote for Sacramento County LAFCo Vacancies and Voting Method.**
- 4.6. **Consider Approving the Annual Comprehensive Financial Report for Fiscal Year 2022/2023.**
- 4.7. **Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065.**

5. INFORMATION ITEMS

5.1. District Activities Reports

- 5.1.1. Water Operations Report
- 5.1.2. Completed and Pending Items Report
- 5.1.3. Leak Repair Report
- 5.1.4. Clarification on FY 2023/2024 Capital Budget Funding for Pipe Replacement

5.2. Board Member Reports

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris (primary)
- 5.2.3. Executive Committee – Gifford, Cline
- 5.2.4. ACWA/JPIA – Cline
- 5.2.5. 2023 COLA Negotiation Ad Hoc – Young, Gifford

6. PUBLIC COMMENT PRIOR TO CLOSED SESSION

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

- 7.1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); Rio Linda Elverta Community Water District v. The 3M Company, et al., United States District Court for the District Of South Carolina, Charleston Division, MDL No. 2873 (PFAS contamination claims).
- 7.2. CONFERENCE WITH LABOR NEGOTIATORS - (Pursuant to Government Code Section 54957.6) District Negotiators; Shaw, Young, & Gifford. RLECWD Employee General Unit, Teamster Local 150 regarding 2023 Cost of Living Adjustment.

8. RETURN TO OPEN SESSION, REPORT OF ACTIONS TAKEN IN CLOSED SESSION

9. DIRECTORS’ AND GENERAL MANAGER COMMENTS

10. ADJOURNMENT –

Upcoming meetings:

Board Meeting

December 13, 2023, Wednesday, 6:30 pm. Community Center, 810 Oak Lane. Rio Linda, CA



**Consent Calendar
Agenda Item: 3.1**

Date: November 27, 2023
Subject: Minutes
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

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

Current Background and Justification:

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

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____

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

2

**MINUTES OF THE OCTOBER 23, 2023
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

The Link below provides access the video of this meeting.

<https://vimeo.com/877557730?share=copy>

The numbers in parentheses next to each action item correlate to time marks on the video of the meeting.

1. CALL TO ORDER, ROLL CALL

The October 23, 2023 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. Visitor Depot Center 6730 Front St., Rio Linda, CA 95673. This meeting was physically open to the public.

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

2. PUBLIC COMMENT—Public member commented on the Urban Water Meeting with the State Water Resources Board she attended was very informative.

3. CONSENT CALENDAR (4:25)

3.1. September 25, 2023 Minutes

3.2 August Expenditures

3.3 August Financials

Comments/Questions –Public member had questions on expenditure report.

(7:08) It was moved by Director Gifford and seconded by Director Green to approve the Consent Calendar.

Directors Green, Young, Harris, and Gifford voted yes. Director Cline was absent. The motion passed with a roll call vote of 4-0-0.

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

4.1 GM Report (11:01)

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

Comments/Questions – A Director mentioned that the report didn't reflect participation in the State Water Resources Board Public Hearing. GM Shaw stated he attended the workshop via the web.

Public member had questions on the expense report.

The Board took no action on this item.

4.2 Public Works Projects Report (15:35)

Mike Vasques, Vasquez Engineering report provided, Active Development Reviews (only projects with updates from the last Board Meeting), CIP Dry Creek Road Pipe Replacement Project Phase 1 & 2. Well 15 Hexavalent Chromium Treatment Project

Comments/Questions – No comment.

The Board took no action on this item.

4.3 Consider Transitions for Contract Engineer Services. (17:25)

4.3.1 Consider Authorizing Proposed Revisions to Professional Services Agreement with EKI Environment and Water (EKI).

(35:37) It was moved by Director Gifford and seconded by Director Harris to authorize the Proposed Revisions to Professional Services Agreement with EKI Environment and Water (EKI). Directors Green, Harris, Young, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0

4.3.2 Consider Authorizing Engagement with Vasquez Engineering for Contract District Engineer Services.

(35:55) It was moved by Director Gifford and seconded by Director Green to authorize engagement with Vasquez Engineering for Contract District Engineering Services. Directors Green, Harris, Young, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0

4.3.3 Consider Authorizing the Payment of Late Submitted Invoices from EKI for Construction Management Services on Well 16 Pumping Station.

(36:55) It was moved by Director Young and seconded by Director Gifford Authorizing the Payment of Late Submitted Invoices from EKI for Construction Management Services on Well 16 Pumping Station. Directors Green, Harris, Young, and Gifford voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0

Comments/Questions –No Comment.

4.4 Consider Accepting the Independent Auditor's Report for Fiscal Year 2022/2023 (37:45)

Comments/Questions – Public member commented on the financial highlights of the report.

(44:50) It was moved by Director Young and seconded by Director Harris to accept the Independent Auditor's Report for Fiscal Year 2022-2023. Directors Green, Harris, and Young voted yes. Director Gifford voted no. Director Cline was absent. The motion carried with a roll call vote of 3-1-0.

4.5 Consider Approving the Addendum to the Employment Agreement with the General Manager. (45:50)

Comments/Questions – Director had a question on the COLA percentage the GM would receive.

(49:55) It was moved by Director Gifford and seconded by Director Harris to approve the addendum to the Employment Agreement with the General Manager. Directors Green, Harris, Young, Gifford and voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0.

4.6 Consider Authorizing Changes to the Dates and Locations for RLECWD Public Meetings in December 2023. (50:10)

Comments/Questions – Directors discussed having the meeting on the 3rd Monday.

(56:50) It was moved by Director Gifford and seconded by Director Harris to move the regular Board Meeting in December to the 13th of December and cancel the Executive Committee Meeting. Directors Green, Young and Gifford voted yes. Director Harris voted no. Director Cline was absent. The motion carried with a roll call vote of 3-1-0.

4.7 Consider Authorizing Board Member Compensation Requiring Board Approval Pursuant to Policy 2.20.140. (57:53)

Comments/Questions – No Comment.

(59:40) It was moved by Director Harris and seconded by Director Green to authorize Director Cline's request for compensation of late submittals for reimbursement. Young, Gifford, Green and Harris voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0.

4.8 Consider Customers' Request for Board Consideration of Billing Issues. (59:50)

Comments/Questions – There was general discussion by the Board on the reasons for the customers requests.

Public member commented that there are resources out there for customers experiencing a financial hardship.

(1:12:39) It was moved by Director Gifford and seconded by Director Green to reject both customers requests for a waiver of their water bills. Green, Young, and Gifford voted yes. Director Harris abstained. The motion carried with a roll call vote of 3-0-1.

4.9 Consider Discussion of Board Direction to Staff Regarding Drafting a Policy for Compliance with AB 2449 Remote Meeting Participation by Board Members. (1:14:00)

Comments/Questions – There was general discussion with the Board, GM Shaw and General Counsel on requirements for remote meeting participation.

Public member mentioned that other water districts allow the ratepayers to participate by zoom at the meetings.

(1:22:53) It was moved by Director Gifford and seconded by Director Harris to create a policy for no remote meeting participation by Board Members. Green, Young, Gifford, and Harris voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0

4.10 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065 (1:25:20)

4.10.1 Consider Forming an Ad Hoc Committee for 2023 Cost Of Living Adjustment (COLA) Negotiations.

Comments/Questions – No comments.

(1:26:53) President Young recommended Director Chris Gifford and herself on the COLA committee. Green, Young, Gifford, and Harris voted yes. Director Cline was absent. The motion carried with a roll call vote of 4-0-0

5. INFORMATION ITEMS

5.1 District Activities Reports (1:26:46)

- 5.1.1 Water Operations Report – Written report provided.
- 5.1.2 Completed and Pending Items Report – Written report provided.
- 5.1.3 Leak Repair Report – Report provided.
- 5.1.4 Preliminary Water Loss Audit
- 5.1.5 Minor Budget Revision #1

Comments/Questions – Public member commented on a pile of dirt that remains at customer address on Elkhorn Blvd. She had another questions on possibility of putting locks on the District’s fire hydrants.

5.2 Board Member Report (1:48:35)

- 5.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action.
- 5.2.2 Sacramento Groundwater Authority – Harris (primary) – Agenda provided.
- 5.2.3 Executive Committee – Gifford, Cline – Minutes provided.
- 5.2.4 ACWA/JPIA – Cline – Nothing to report.

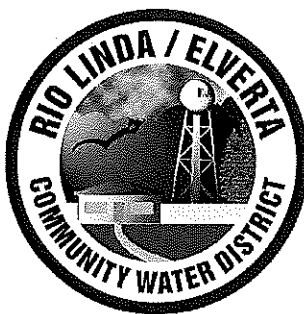
6. DIRECTORS’ AND GENERAL MANAGER COMMENTS – No comments.

7. ADJOURNMENT - The meeting was adjourned at 8:30 pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Vicky Young, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: November 27, 2023

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee forwarded the August Expenditures report to the November 27th Board agenda.

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for September 2023.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____

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

**Rio Linda Elverta Community Water District
Expenditure Report
September 2023**

| Type | Date | Num | Name | Memo | Amount |
|-----------------|------------|------|--------------------------------------|---|-----------|
| Liability Check | 09/06/2023 | EFT | QuickBooks Payroll Service | For PP Ending 09/02/23 Pay date 09/07/23 | 18,780.11 |
| Liability Check | 09/07/2023 | EFT | CalPERS | For PP Ending 09/02/23 Pay date 09/07/23 | 3,413.79 |
| Liability Check | 09/07/2023 | EFT | CalPERS | For PP Ending 09/02/23 Pay date 09/07/23 | 1,285.99 |
| Liability Check | 09/07/2023 | EFT | Internal Revenue Service | Employment Taxes | 7,210.30 |
| Liability Check | 09/07/2023 | EFT | Employment Development | Employment Taxes | 1,348.07 |
| Bill Pmt -Check | 09/07/2023 | EFT | Adept Solutions | Computer Maintenance | 1,333.00 |
| Liability Check | 09/07/2023 | EFT | Empower | Deferred Compensation Plan: Employer & Employee Share | 2,157.14 |
| Bill Pmt -Check | 09/07/2023 | EFT | Comcast | Phone | 104.95 |
| Bill Pmt -Check | 09/07/2023 | EFT | Ramos Oil Inc. | Transportation Fuel | 607.00 |
| Bill Pmt -Check | 09/07/2023 | EFT | Republic Services | Utilities | 129.50 |
| Bill Pmt -Check | 09/07/2023 | EFT | Voyager Fleet Commander | Transportation Fuel | 110.58 |
| Transfer | 09/07/2023 | EFT | RLECWD | Umpqua Bank Monthly Debt Service Transfer | 17,000.00 |
| Transfer | 09/07/2023 | EFT | RLECWD - Capital Improvement | Current Monthly Transfer | 50,984.00 |
| Check | 09/07/2023 | 2699 | Customer | Final Bill Refund | 1,402.02 |
| Check | 09/07/2023 | 2700 | Customer | Final Bill Refund | 60.73 |
| Check | 09/07/2023 | 2701 | Customer | Final Bill Refund | 52.64 |
| Check | 09/07/2023 | 2702 | Customer | Final Bill Refund | 174.05 |
| Check | 09/07/2023 | 2703 | Customer | Final Bill Refund | 85.38 |
| Bill Pmt -Check | 09/07/2023 | 2704 | ABS Direct | Printing & Postage | 257.32 |
| Bill Pmt -Check | 09/07/2023 | 2705 | ACWA/JPIA Powers Insurance Authority | Property Insurance | 14,390.92 |
| Bill Pmt -Check | 09/07/2023 | 2706 | ACWA/JPIA Powers Insurance Authority | EAP | 24.80 |
| Bill Pmt -Check | 09/07/2023 | 2707 | AM Conservation Group | Conservation | 333.84 |
| Bill Pmt -Check | 09/07/2023 | 2708 | Buckmaster Office Solutions | Office Equipment | 71.44 |
| Bill Pmt -Check | 09/07/2023 | 2709 | Corelogic Solutions | Subscription | 100.00 |
| Bill Pmt -Check | 09/07/2023 | 2710 | Intermedia.net | Telephone | 90.28 |
| Bill Pmt -Check | 09/07/2023 | 2711 | Oreilly Automotive | Transportation Maintenance, Shop Supplies | 225.92 |
| Bill Pmt -Check | 09/07/2023 | 2712 | RDO Equipment Co. | Construction Equipment Maintenance | 668.74 |
| Bill Pmt -Check | 09/07/2023 | 2713 | Rio Linda Hardware & Building Supply | Shop Supplies | 645.49 |
| Bill Pmt -Check | 09/07/2023 | 2714 | SMUD | Utilities | 28,140.85 |
| Bill Pmt -Check | 09/07/2023 | 2715 | Tesco Controls, Inc. | Field IT | 1,081.75 |
| Bill Pmt -Check | 09/07/2023 | 2716 | UniFirst Corporation | Uniforms | 486.49 |
| Bill Pmt -Check | 09/07/2023 | 2717 | Vanguard Cleaning Systems | Janitorial | 195.00 |
| Bill Pmt -Check | 09/07/2023 | 2718 | Verizon Wireless | Internet | 45.56 |
| Bill Pmt -Check | 09/07/2023 | 2719 | Vulcan Materials Company | Distribution Supplies | 722.97 |
| Bill Pmt -Check | 09/07/2023 | 2720 | White Brenner, LLP | Legal | 892.80 |
| Bill Pmt -Check | 09/07/2023 | 2721 | Customer | Final Bill Refund | 74.39 |
| Check | 09/22/2023 | EFT | Wageworks | FSA Administration Fee | 76.25 |
| Liability Check | 09/20/2023 | EFT | QuickBooks Payroll Service | For PP Ending 09/16/23 Pay date 09/21/23 | 18,624.71 |
| Liability Check | 09/21/2023 | EFT | CalPERS | For PP Ending 09/16/23 Pay date 09/21/23 | 3,441.23 |
| Liability Check | 09/21/2023 | EFT | CalPERS | For PP Ending 09/16/23 Pay date 09/21/23 | 1,285.99 |
| Liability Check | 09/21/2023 | EFT | Internal Revenue Service | Employment Taxes | 7,136.08 |
| Liability Check | 09/21/2023 | EFT | Employment Development | Employment Taxes | 1,328.73 |



**Rio Linda Elverta Community Water District
Expenditure Report
September 2023**

| Type | Date | Num | Name | Memo | Amount |
|---|------------|------|--|---|-------------------|
| Liability Check | 09/21/2023 | EFT | Empower | Deferred Compensation Plan: Employer & Employee Share | 2,150.70 |
| Liability Check | 09/21/2023 | EFT | Kaiser Permanente | Health Insurance | 2,186.97 |
| Liability Check | 09/21/2023 | EFT | Principal | Dental & Vision Insurance | 1,494.92 |
| Bill Pmt -Check | 09/21/2023 | EFT | PG&E | Utilities | 53.07 |
| Bill Pmt -Check | 09/21/2023 | EFT | Ramos Oil Inc. | Transportation Fuel | 366.39 |
| Liability Check | 09/21/2023 | EFT | Western Health | Health Insurance | 12,028.63 |
| Bill Pmt -Check | 09/21/2023 | EFT | Umpqua Bank Credit Card | Computer, Office, Fuel, Uniforms, Publishing, Shop Supplies, Main | 5,121.78 |
| Bill Pmt -Check | 09/21/2023 | EFT | Verizon | Field Communication | 477.79 |
| Check | 09/21/2023 | 2722 | Customer | Final Bill Refund | 98.63 |
| Check | 09/21/2023 | 2723 | Customer | Final Bill Refund | 369.42 |
| Bill Pmt -Check | 09/21/2023 | 2724 | ABS Direct | Prepaid Postage | 5,000.00 |
| Bill Pmt -Check | 09/21/2023 | 2725 | BSK Associates | Lab Fees | 4,477.00 |
| Bill Pmt -Check | 09/21/2023 | 2726 | Continental Utility Solutions | Fees | 22.50 |
| Bill Pmt -Check | 09/21/2023 | 2727 | County of Sacramento | Permits | 131.00 |
| Bill Pmt -Check | 09/21/2023 | 2728 | EKI Enviornment & Water | Engineering | 5,000.00 |
| Bill Pmt -Check | 09/21/2023 | 2729 | Henrici, Mary | Retiree Insurance | 494.70 |
| Bill Pmt -Check | 09/21/2023 | 2730 | ICONIX Waterworks | Distribution | 734.86 |
| Bill Pmt -Check | 09/21/2023 | 2731 | Oreilly Automotive | Transportation Maintenance | 417.87 |
| Bill Pmt -Check | 09/21/2023 | 2732 | Pacific Premier Bank | Surcharge 2 Loan Payment | 158,130.67 |
| Bill Pmt -Check | 09/21/2023 | 2733 | Rio Linda Elverta Recreation & Park | Meeting Expense | 100.00 |
| Bill Pmt -Check | 09/21/2023 | 2734 | RW Trucking | Distribution | 734.23 |
| Bill Pmt -Check | 09/21/2023 | 2735 | Sacramento County Utilities | Utilities | 113.70 |
| Bill Pmt -Check | 09/21/2023 | 2736 | Sacramento Local Agency Formation Comm | Annual Dues | 486.00 |
| Bill Pmt -Check | 09/21/2023 | 2737 | Sierra Chemical Company | Treatment | 1,386.00 |
| Bill Pmt -Check | 09/21/2023 | 2738 | Spok Inc. | Field Communication | 15.60 |
| Bill Pmt -Check | 09/21/2023 | 2739 | White Brenner | Legal Services | 1,218.00 |
| Bill Pmt -Check | 09/21/2023 | 2740 | County of Sacramento | Capital Improvement: Pipeline Replacement | 810.50 |
| Bill Pmt -Check | 09/21/2023 | 2741 | Rawles Engineering | Capital Improvement: Pipeline Replacement | 206,100.00 |
| Total 10020 - Operating Account Budgeted Expenditures | | | | | 596,301.73 |
| Check | 09/07/2023 | 2698 | Teamsters | Union Dues | 748.00 |
| Liability Check | 09/07/2023 | EFT | California State Disbursement Unit | Employee Garnishment | 227.53 |
| Liability Check | 09/15/2023 | EFT | AFLAC | Employee Funded Premiums | 745.84 |
| Liability Check | 09/21/2023 | EFT | California State Disbursement Unit | Employee Garnishment | 227.53 |
| EFT | 09/30/2023 | EFT | WageWorks | FSA Expenditures - Employee Funded | 386.08 |
| Total 10020 - Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs | | | | | 2,334.98 |

**Rio Linda Elverta Community Water District
Expenditure Report
September 2023**

| Type | Date | Num | Payee | Memo | Amount |
|------------------------------------|------------|-----|--------|--------------------------|--------------------------|
| Check | 09/21/2023 | EFT | RLECWD | Surcharge 2 Loan Payment | 158,130.67 |
| 10375 · Surcharge Account 2 | | | | | <u>158,130.67</u> |

| Type | Date | Num | Payee | Memo | Amount |
|--|------------|-----|--------|---|--------------------------|
| Transfer | 09/21/2023 | EFT | RLECWD | Capital Improvement Transfer for Funds paid with Operating: Refer to check 2651 & 2652 | 206,910.50 |
| 10490 · Future Capital Improvement Projects-Umpqua Bank | | | | | <u>206,910.50</u> |





Consent Calendar Agenda Item: 3.3

Date: November 27, 2023
Subject: Financial Reports
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee forwarded the Financial Report onto the November 27th Board agenda.

Current Background and Justification:

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

These financials are to be presented to the Board of Directors to inform them of the District’s current financial condition.

Conclusion:

I recommend the Board approve the Financial Reports for September 2023.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District

Balance Sheet

As of September 30, 2023



ASSETS

Current Assets

| | |
|---|---------------------|
| 100 · Cash & Cash Equivalents | |
| 10000 · Operating Account | |
| 10020 · Operating Fund-Umpqua | 1,405,039.00 |
| Total 10000 · Operating Account | 1,405,039.00 |
| 10475 · Capital Improvement | |
| 10480 · General | 532,339.80 |
| 10485 · Vehicle Replacement Reserve | 27,948.49 |
| Total 10450 · Capital Improvement | 560,288.29 |
| Total 100 · Non-Restricted Cash & Cash Equivalents | 1,965,327.29 |

| | |
|---|---------------------|
| 102 · Restricted Assets | |
| 102.2 · Restricted for Debt Service | |
| 10700 · ZIONS Inv/Surcharge 1 Reserve | 507,104.92 |
| 10300 · Surcharge 1 Account | 956,425.85 |
| 10350 · Umpqua Bank - Revenue Bond | 88,415.30 |
| 10380 · Surcharge 2 Account | 324,964.95 |
| Total 102.2 · Restricted for Debt Service | 1,876,911.02 |
| 102.4 · Restricted Other Purposes | |
| 10385 · Available Funding Cr6 Projects #1 | 558,161.52 |
| 10481 · Available Funding Cr6 Projects #2 | 505,000.00 |
| 10490 · Future Capital Imp Projects | 1,389,398.39 |
| 10600 · LAIF Account - Capacity Fees | 819,566.66 |
| 10650 · Operating Reserve Fund | 337,465.08 |
| Total 102.4 · Restricted Other Purposes | 3,609,591.65 |
| Total 102 · Restricted Assets | 5,486,502.67 |

| | |
|---------------------|--------|
| Accounts Receivable | 253.70 |
|---------------------|--------|

| | |
|-------------------------------------|------------|
| Other Current Assets | |
| 12000 · Water Utility Receivable | 815,092.27 |
| 12200 · Accrued Revenue | 0.00 |
| 12250 · Accrued Interest Receivable | 3,221.44 |
| 15000 · Inventory Asset | 49,574.32 |
| 16000 · Prepaid Expense | 73,622.81 |
| Total Other Current Assets | 941,510.84 |

| | |
|-----------------------------|---------------------|
| Total Current Assets | 8,393,594.50 |
|-----------------------------|---------------------|

| | |
|------------------------------------|----------------|
| Fixed Assets | |
| 17000 · General Plant Assets | 685,384.68 |
| 17100 · Water System Facilites | 25,140,029.47 |
| 17300 · Intangible Assets | 383,083.42 |
| 17500 · Accum Depreciation & Amort | -11,848,271.81 |
| 18000 · Construction in Progress | 873,029.55 |
| 18100 · Land | 576,672.45 |
| Total Fixed Assets | 15,809,927.76 |

| | |
|--------------------------------|--------------|
| Other Assets | |
| 18500 · ADP CalPERS Receivable | 440,000.00 |
| 19000 · Deferred Outflows | 1,106,047.00 |
| 19900 · Suspense Account | -1,586.02 |
| Total Other Assets | 1,544,460.98 |

| | |
|---------------------|----------------------|
| TOTAL ASSETS | 25,747,983.24 |
|---------------------|----------------------|

Rio Linda Elverta Community Water District

Balance Sheet

As of September 30, 2023

LIABILITIES & NET POSTION

| | |
|--|------------------------------------|
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | 72,677.56 |
| Credit Cards | 66.00 |
| Other Current Liabilities | 956,196.54 |
| Total Current Liabilities | <u>1,028,940.10</u> |
| Long Term Liabilities | |
| 23000 · OPEB Liability | 37,482.00 |
| 23500 · Lease Buy-Back | 508,777.27 |
| 25000 · Surcharge 1 Loan | 2,708,943.73 |
| 25050 · Surcharge 2 Loan | 2,085,040.16 |
| 26000 · Water Rev Refunding | 1,349,516.00 |
| 26500 · ADP CalPERS Loan | 410,000.00 |
| 27000 · AMI Meter Loan | 85,138.71 |
| 29000 · Net Pension Liability | 824,024.00 |
| 29500 · Deferred Inflows-Pension | 97,916.00 |
| 29600 · Deferred Inflows-OPEB | 44,171.00 |
| Total Long Term Liabilities | <u>8,151,008.87</u> |
| Total Liabilities | 9,179,948.97 |
| Net Position | |
| 31500 · Invested in Capital Assets, Net | 9,494,326.46 |
| 32000 · Restricted for Debt Service | 705,225.24 |
| 38000 · Unrestricted Equity | 6,140,305.30 |
| Net Income | 228,177.27 |
| Total Net Position | <u>16,568,034.27</u> |
| TOTAL LIABILITIES & NET POSTION | <u><u>25,747,983.24</u></u> |

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
September 2023**

9

| | <u>Annual Budget</u> | <u>Sep 23</u> | <u>YTD Jul 23-Sep 23</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--|----------------------|-------------------|------------------------------|-----------------------------------|--|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| 40000 · Operating Revenue | | | | | |
| 40100 · Water Sales | | | | | |
| 40101 · Basic Service Charge | 1,160,731.00 | 201,931.05 | 264,418.55 | 22.78% | 896,312.45 |
| 40102 · Usage Charge | 1,832,569.00 | 468,012.21 | 616,088.17 | 33.62% | 1,216,480.83 |
| 40105 · Backflow Charge | 30,500.00 | 5,103.87 | 6,699.66 | 21.97% | 23,800.34 |
| 40106 · Fire Prevention | 24,300.00 | 4,309.74 | 6,011.22 | 24.74% | 18,288.78 |
| 40110 · Bi-Monthly Accrual | 0.00 | -150,000.00 | 0.00 | 0.00% | 0.00 |
| Total 40100 · Water Sales | <u>3,048,100.00</u> | <u>529,356.87</u> | <u>893,217.60</u> | <u>29.30%</u> | <u>2,154,882.40</u> |
| 40200 · Water Services | | | | | |
| 40201 · Application Fees | 6,500.00 | 500.00 | 1,725.00 | 26.54% | 4,775.00 |
| 40202 · Delinquency | 65,000.00 | 1,626.00 | 12,918.76 | 19.88% | 52,081.24 |
| 40209 · Misc. Charges | 7,000.00 | 737.25 | 1,647.82 | 23.54% | 5,352.18 |
| Total 40200 · Water Services | <u>78,500.00</u> | <u>2,863.25</u> | <u>16,291.58</u> | <u>20.75%</u> | <u>62,208.42</u> |
| 40300 · Other Water Service Fees | | | | | |
| 40301 · New Construction QC | 4,000.00 | 200.00 | 400.00 | 10.00% | 3,600.00 |
| 40302 · Service Connection Fees | 10,000.00 | 3,400.00 | 3,400.00 | 34.00% | 6,600.00 |
| 40304 · Other Operating Revenue | 6,000.00 | 0.00 | 0.00 | 0.00% | 6,000.00 |
| Total 40300 · Other Water Service Fees | <u>20,000.00</u> | <u>3,600.00</u> | <u>3,800.00</u> | <u>19.00%</u> | <u>16,200.00</u> |
| Total 40000 · Operating Revenue | <u>3,146,600.00</u> | <u>535,820.12</u> | <u>913,309.18</u> | <u>29.03%</u> | <u>2,233,290.82</u> |
| 41000 · Nonoperating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 35.00 | 3.48 | 10.18 | 29.09% | 24.82 |
| Total 41110 · Investment Revenue | <u>35.00</u> | <u>3.48</u> | <u>10.18</u> | <u>29.09%</u> | <u>24.82</u> |
| 41120 · Property Tax | 118,000.00 | 0.00 | 3,421.07 | 2.90% | 114,578.93 |
| Total 41000 · Nonoperating Revenue | <u>118,035.00</u> | <u>3.48</u> | <u>3,431.25</u> | <u>2.91%</u> | <u>114,603.75</u> |
| Total Income | <u>3,264,635.00</u> | <u>535,823.60</u> | <u>916,740.43</u> | <u>28.08%</u> | <u>2,347,894.57</u> |
| Gross Income | 3,264,635.00 | 535,823.60 | 916,740.43 | 28.08% | 2,347,894.57 |
| Expense | | | | | |
| 60000 · Operating Expenses | | | | | |
| 60010 · Professional Fees | | | | | |
| 60011 · General Counsel-Legal | 30,000.00 | 1,218.00 | 2,110.80 | 7.04% | 27,889.20 |
| 60012 · Auditor Fees | 21,300.00 | 18,700.00 | 19,200.00 | 90.14% | 2,100.00 |
| 60013 · Engineering Services | 115,000.00 | 5,000.00 | 10,000.00 | 8.70% | 105,000.00 |
| 60015 · Other Professional Fees | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 |
| Total 60010 · Professional Fees | <u>166,300.00</u> | <u>24,918.00</u> | <u>31,310.80</u> | <u>18.83%</u> | <u>134,989.20</u> |
| 60100 · Personnel Services | | | | | |
| 60110 · Salaries & Wages | | | | | |
| 60111 · Salary - General Manager | 125,278.00 | 9,471.02 | 26,424.15 | 21.09% | 98,853.85 |
| 60112 · Staff Regular Wages | 676,585.00 | 48,575.97 | 135,144.28 | 19.97% | 541,440.72 |
| 60114 · Staff Standby Pay | 18,250.00 | 1,400.00 | 4,200.00 | 23.01% | 14,050.00 |
| 60115 · Staff Overtime Pay | 11,000.00 | 161.63 | 1,742.01 | 15.84% | 9,257.99 |
| Total 60110 · Salaries & Wages | <u>831,113.00</u> | <u>59,608.62</u> | <u>167,510.44</u> | <u>20.16%</u> | <u>663,602.56</u> |
| 60150 · Employee Benefits & Expense | | | | | |
| 60151 · PERS Retirement | 126,177.00 | 9,648.81 | 27,760.72 | 22.00% | 98,416.28 |
| 60152 · Workers Compensation | 8,293.00 | -4,655.73 | -2,694.77 | -32.50% | 10,987.77 |
| 60153 · Group Insurance | 227,568.00 | 15,451.99 | 43,561.91 | 19.14% | 184,006.09 |
| 60154 · Retirees Insurance | 36,200.00 | 3,644.70 | 3,644.70 | 10.07% | 32,555.30 |
| 60155 · Staff Training | 5,000.00 | 0.00 | 0.00 | 0.00% | 5,000.00 |
| 60157 · Uniforms | 6,750.00 | 397.36 | 2,359.15 | 34.95% | 4,390.85 |
| 60158 · Payroll Taxes | 66,230.00 | 4,549.69 | 12,777.49 | 19.29% | 53,452.51 |
| 60159 · Payroll Service | 1,400.00 | 92.80 | 272.30 | 19.45% | 1,127.70 |
| 60160 · 457 Employer Contribution | 19,100.00 | 1,379.65 | 3,869.91 | 20.26% | 15,230.09 |
| Total 60150 · Employee Benefits & Expense | <u>496,718.00</u> | <u>30,509.27</u> | <u>91,551.41</u> | <u>18.43%</u> | <u>405,166.59</u> |
| Total 60100 · Personnel Services | <u>1,327,831.00</u> | <u>90,117.89</u> | <u>259,061.85</u> | <u>19.51%</u> | <u>1,068,769.15</u> |

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
September 2023**

| | Annual Budget | Sep 23 | YTD Jul 23-Sep 23 | % of Annual Budget | YTD Annual Budget Balance |
|--|-------------------|------------------|----------------------|--------------------------|---------------------------------|
| 60200 · Administration | | | | | |
| 60205 · Bank & Merchant Fees | 1,850.00 | -23.45 | 773.97 | 41.84% | 1,076.03 |
| 60207 · Board of Director/Meeting Fee | 13,900.00 | 200.00 | 1,100.00 | 7.91% | 12,800.00 |
| 60210 · Building Expenses | | | | | |
| 60211 · Office Utilities | 7,261.00 | 604.50 | 1,738.93 | 23.95% | 5,522.07 |
| 60212 · Janitorial | 2,340.00 | 195.00 | 585.00 | 25.00% | 1,755.00 |
| 60213 · Maintenance | 2,500.00 | 0.00 | 628.14 | 25.13% | 1,871.86 |
| 60214 · Security | 336.00 | 0.00 | 84.00 | 25.00% | 252.00 |
| Total 60210 · Building Expenses | 12,437.00 | 799.50 | 3,036.07 | 24.41% | 9,400.93 |
| 60220 · Computer & Equipment Maint. | | | | | |
| 60221 · Computer Systems | 32,000.00 | 1,977.66 | 5,932.98 | 18.54% | 26,067.02 |
| 60222 · Office Equipment | 875.00 | 65.10 | 190.22 | 21.74% | 684.78 |
| Total 60220 · Computer & Equipment Maint. | 32,875.00 | 2,042.76 | 6,123.20 | 18.63% | 26,751.80 |
| 60230 · Office Expense | 4,725.00 | 244.82 | 2,648.74 | 56.06% | 2,076.26 |
| 60240 · Postage and Delivery | 21,000.00 | 2,910.93 | 6,308.39 | 30.04% | 14,691.61 |
| 60250 · Printing | 8,500.00 | 1,071.00 | 2,407.33 | 28.32% | 6,092.67 |
| 60255 · Meetings & Conferences | 100.00 | 0.00 | 0.00 | 0.00% | 100.00 |
| 60260 · Publishing | 1,500.00 | 361.00 | 712.00 | 47.47% | 788.00 |
| 60270 · Telephone & Internet | 4,250.00 | 240.85 | 702.17 | 16.52% | 3,547.83 |
| 60430 · Insurance | | | | | |
| 60431 · General Liability | 31,403.00 | 2,791.25 | 8,451.42 | 26.91% | 22,951.58 |
| 60432 · Property | 14,391.00 | 1,276.91 | 3,753.06 | 26.08% | 10,637.94 |
| Total 60430 · Insurance | 45,794.00 | 4,068.16 | 12,204.48 | 26.65% | 33,589.52 |
| 60500 · Water Memberships | | | | | |
| 60503 · SGA | 30,926.00 | 0.00 | 30,926.00 | 100.00% | 0.00 |
| 60504 · ACWA | 11,697.00 | 0.00 | 0.00 | 0.00% | 11,697.00 |
| 60507 · CRWA | 1,507.00 | 0.00 | 1,507.00 | 100.00% | 0.00 |
| Total 60500 · Water Memberships | 44,130.00 | 0.00 | 32,433.00 | 73.49% | 11,697.00 |
| 60550 · Permits & Fees | 55,000.00 | 1,814.00 | 3,062.00 | 5.57% | 51,938.00 |
| 60555 · Subscriptions & Licensing | 2,120.00 | 100.00 | 300.00 | 14.15% | 1,820.00 |
| 60560 · Elections | 0.00 | 0.00 | 0.00 | 0.00% | 0.00 |
| 60565 · Uncollectible Accounts | 3,000.00 | 0.00 | 0.00 | 0.00% | 3,000.00 |
| 60570 · Other Operating Expenses | 500.00 | 0.00 | 0.00 | 0.00% | 500.00 |
| Total 60200 · Administration | 251,681.00 | 13,829.57 | 71,811.35 | 28.53% | 179,869.65 |

**Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
September 2023**



| | <u>Annual Budget</u> | <u>Sep 23</u> | <u>YTD Jul 23-Sep 23</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--|----------------------|-------------------|------------------------------|-----------------------------------|--|
| 64000 · Conservation | | | | | |
| 64001 · Community Outreach | 500.00 | 0.00 | 333.84 | 66.77% | 166.16 |
| Total 64000 · Conservation | <u>500.00</u> | <u>0.00</u> | <u>333.84</u> | <u>0.67</u> | <u>166.16</u> |
| 65000 · Field Operations | | | | | |
| 65100 · Other Field Operations | | | | | |
| 65110 · Back Flow Testing | 3,000.00 | 0.00 | 464.58 | 15.49% | 2,535.42 |
| 65120 · Construction Equip Maintenance | 9,000.00 | 545.66 | 824.88 | 9.17% | 8,175.12 |
| 65130 · Field Communication | 3,400.00 | 265.42 | 742.58 | 21.84% | 2,657.42 |
| 65140 · Field IT | 35,000.00 | 2,121.00 | 7,616.00 | 21.76% | 27,384.00 |
| 65150 · Laboratory Services | 24,000.00 | 1,165.00 | 0.47 | 0.00% | 23,999.53 |
| 65160 · Safety Equipment | 6,000.00 | 0.00 | 6,151.00 | 102.52% | -151.00 |
| 65170 · Shop Supplies | 7,000.00 | 1,273.41 | 3,909.96 | 55.86% | 3,090.04 |
| Total 65100 · Other Field Operations | <u>87,400.00</u> | <u>5,370.49</u> | <u>19,709.47</u> | <u>22.55%</u> | <u>67,690.53</u> |
| 65200 · Treatment | 35,000.00 | 4,504.50 | 11,560.20 | 33.03% | 23,439.80 |
| 65300 · Pumping | | | | | |
| 65310 · Maintenance | 25,000.00 | 401.63 | 1,995.87 | 7.98% | 23,004.13 |
| 65320 · Electricity & Fuel | 260,000.00 | 26,304.08 | 81,365.20 | 31.29% | 178,634.80 |
| Total 65300 · Pumping | <u>285,000.00</u> | <u>26,705.71</u> | <u>83,361.07</u> | <u>29.25%</u> | <u>201,638.93</u> |
| 65400 · Transmission & Distribution | | | | | |
| 65410 · Distribution Supplies | 50,000.00 | 13,504.86 | 18,897.93 | 37.80% | 31,102.07 |
| 65430 · Tank Maintenance | 6,500.00 | 0.00 | 0.00 | 0.00% | 6,500.00 |
| 65440 · Contract Repairs | 70,000.00 | 0.00 | 29,057.02 | 41.51% | 40,942.98 |
| 65450 · Valve Replacements | 15,000.00 | 0.00 | 0.00 | 0.00% | 15,000.00 |
| 65460 · Paving Repairs | 30,000.00 | 0.00 | 0.00 | 0.00% | 30,000.00 |
| Total 65400 · Transmission & Distribution | <u>171,500.00</u> | <u>13,504.86</u> | <u>47,954.95</u> | <u>27.96%</u> | <u>123,545.05</u> |
| 65500 · Transportation | | | | | |
| 65510 · Fuel | 18,000.00 | 1,298.35 | 4,366.72 | 24.26% | 13,633.28 |
| 65520 · Maintenance | 5,000.00 | 618.57 | 1,556.90 | 31.14% | 3,443.10 |
| Total 65500 · Transportation | <u>23,000.00</u> | <u>1,916.92</u> | <u>5,923.62</u> | <u>25.76%</u> | <u>17,076.38</u> |
| Total 65000 · Field Operations | <u>601,900.00</u> | <u>52,002.48</u> | <u>168,509.31</u> | <u>28.00%</u> | <u>433,390.69</u> |
| Total 60000 · Operating Expenses | <u>2,348,212.00</u> | <u>180,867.94</u> | <u>531,027.15</u> | <u>22.61%</u> | <u>1,817,184.85</u> |
| 69000 · Non-Operating Expenses | | | | | |
| 69010 · Debt Service | | | | | |
| 69100 · Revenue Bond | | | | | |
| 69105 · Principle | 156,908.00 | 0.00 | 0.00 | 0.00% | 156,908.00 |
| 69110 · Interest | 44,087.00 | 0.00 | 0.00 | 0.00% | 44,087.00 |
| Total 69100 · Revenue Bond | <u>200,995.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00%</u> | <u>200,995.00</u> |
| 69125 · AMI Meter Loan | | | | | |
| 69130 · Principle | 54,602.00 | 0.00 | 27,076.91 | 49.59% | 27,525.09 |
| 69135 · Interest | 3,912.00 | 0.00 | 2,180.05 | 55.73% | 1,731.95 |
| Total 69125 · AMI Meter Loan | <u>58,514.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>50.00%</u> | <u>29,257.04</u> |
| 69200 · PERS ADP Loan | | | | | |
| 69205 · Principle | 30,000.00 | 0.00 | 0.00 | 0.00% | 30,000.00 |
| 69210 · Interest | 1,628.00 | 0.00 | 0.00 | 0.00% | 1,628.00 |
| Total 69200 · PERS ADP Loan | <u>31,628.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00%</u> | <u>31,628.00</u> |
| Total 69010 · Debt Service | <u>291,137.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>10.05%</u> | <u>261,880.04</u> |
| 69400 · Other Non-Operating Expense | 2,300.00 | 0.00 | 0.00 | 0.00% | 2,300.00 |
| Total 69000 · Non-Operating Expenses | <u>293,437.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>9.97%</u> | <u>264,180.04</u> |
| Total Expense | <u>2,641,649.00</u> | <u>180,867.94</u> | <u>560,284.11</u> | <u>21.21%</u> | <u>2,081,364.89</u> |
| Net Ordinary Income | <u>622,986.00</u> | <u>354,955.66</u> | <u>356,456.32</u> | | |
| Net Income | <u>622,986.00</u> | <u>354,955.66</u> | <u>356,456.32</u> | | |

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2023-24
 As of September 30, 2023

| | GENERAL | | VEHICLE & LARGE EQUIPMENT REPLACEMENT | | FUTURE CAPITAL IMPROVEMENT PROJECTS | | HEXAVALENT CHROMIUM MITIGATION | |
|--|-------------------|------------|---------------------------------------|------------|-------------------------------------|-------------------|--------------------------------|------------|
| | Annual Budget | YTD Actual | Annual Budget | YTD Actual | Annual Budget | YTD Actual | Annual Budget | YTD Actual |
| FUNDING SOURCES | | | | | | | | |
| Fund Transfers | | | | | | | | |
| Operating Fund Transfers In | 611,800.00 | 152,952.00 | - | - | - | - | - | - |
| CIP Fund Intrafund Transfers | (362,645.00) | - | 10,000.00 | - | 352,645.00 | - | - | - |
| PERS ADP Loan Payment | | | | | | | | |
| Principle | | | | | 30,000.00 | - | - | - |
| Interest | | | | | 1,628.00 | - | - | - |
| Investment Revenue | 85.00 | 25.01 | - | - | 175.00 | 40.34 | - | - |
| 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 | - | - | - | - | - | - | - |
| B-3 · Large Meter Replacements | 5,000.00 | - | - | - | - | - | - | - |
| B-4 · Pipeline Replacement | - | - | - | - | 211,200.00 | 207,363.50 | 75,000.00 | - |
| B-5 · Cathodic Protection Replacement - L Street Tower | 45,000.00 | - | - | - | - | - | - | - |
| B-6 · Raising/Lowering Valve Covers | 40,000.00 | - | - | - | - | - | - | - |
| B-7 · Well 15 Cr6 Treatment-Design | - | - | - | - | - | - | - | - |
| Total B · WATER DISTRIBUTION | 240,000.00 | - | - | - | 211,200.00 | 207,363.50 | 75,000.00 | - |
| TOTAL BUDGETED PROJECT EXPENDITURES | 280,000.00 | - | - | - | 211,200.00 | 207,363.50 | 75,000.00 | - |

Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
 July - September 2023

11

| | <u>Annual Budget</u> | <u>Jul-Sep 23 Current QTR</u> | <u>Jul 23-Sep 23 YTD</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--------------------------------------|----------------------|---------------------------------------|------------------------------|-----------------------------------|--|
| Income | | | | | |
| 41000 · Non-Operating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 10,000.00 | 6,384.62 | 6,384.62 | 63.85% | 3,615.38 |
| | <u>10,000.00</u> | <u>6,384.62</u> | <u>6,384.62</u> | <u>63.85%</u> | <u>3,615.38</u> |
| 44100 · Capacity Fee Revenue | 200,000.00 | 10,094.45 | 10,094.45 | 5.05% | 189,905.55 |
| Total Income | <u>210,000.00</u> | <u>16,479.07</u> | <u>16,479.07</u> | <u>7.85%</u> | <u>193,520.93</u> |
| Gross Income | <u>210,000.00</u> | <u>16,479.07</u> | <u>16,479.07</u> | 7.85% | 193,520.93 |
| Net Income | <u>210,000.00</u> | <u>16,479.07</u> | <u>16,479.07</u> | | |

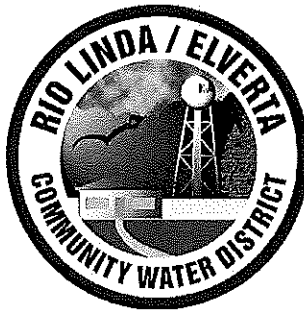
Rio Linda Elverta Community Water District
Surcharge 1 Profit & Loss Budget Performance
July - September 2023

| | <u>Annual Budget</u> | <u>Jul-Sep 23 Current QTR</u> | <u>Jul 23-Sep 23 YTD</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|---------------------------------------|----------------------|-----------------------------------|------------------------------|-----------------------------------|--|
| Income | | | | | |
| 41000 · Non-Operating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41111 · Dividend Revenue | 0.00 | 690.48 | 690.48 | 100.0% | -690.48 |
| 41112 · Interest Revenue | 1,000.00 | 6,786.25 | 6,786.25 | 678.63% | -5,786.25 |
| 41113 · Market Value Adjustment | 0.00 | 662.55 | 662.55 | 100.0% | -662.55 |
| | <u>1,000.00</u> | <u>8,139.28</u> | <u>8,139.28</u> | <u>813.93%</u> | <u>-7,139.28</u> |
| 43010 · Surcharge 1 Revenue | <u>532,380.00</u> | <u>116,299.33</u> | <u>116,299.33</u> | <u>21.85%</u> | <u>416,080.67</u> |
| Total Income | <u>533,380.00</u> | <u>124,438.61</u> | <u>124,438.61</u> | <u>23.33%</u> | <u>408,941.39</u> |
| Gross Income | 533,380.00 | 124,438.61 | 124,438.61 | 23.33% | 408,941.39 |
| Expense | | | | | |
| 69150 · Surcharge 1 Loan | | | | | |
| 69155 · Principle | 389,231.00 | 0.00 | 0.00 | 0.0% | 389,231.00 |
| 69160 · Interest | 72,124.00 | 0.00 | 0.00 | 0.0% | 72,124.00 |
| 69170 · Admin Fees | 2,300.00 | 504.74 | 504.74 | 21.95% | 1,795.26 |
| Total 69150 · Surcharge 1 Loan | <u>463,655.00</u> | <u>504.74</u> | <u>504.74</u> | <u>0.11%</u> | <u>463,150.26</u> |
| Total Expense | <u>463,655.00</u> | <u>504.74</u> | <u>504.74</u> | | |
| Net Income | <u>69,725.00</u> | <u>123,933.87</u> | <u>123,933.87</u> | | |

**Rio Linda Elverta Community Water District
Surcharge 2 Profit & Loss Budget Performance
July - September 2023**

12

| | <u>Annual Budget</u> | <u>Jul-Sep 23 Current QTR</u> | <u>Jul 23-Sep 23 YTD</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|---------------------------------------|--------------------------|-----------------------------------|------------------------------|-------------------------------|--|
| Income | | | | | |
| 41000 · Non-Operating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 100.00 | 24.73 | 24.73 | 24.73% | 75.27 |
| | <u>100.00</u> | <u>24.73</u> | <u>24.73</u> | <u>24.73%</u> | <u>75.27</u> |
| 43050 · Surcharge 2 Revenue | 442,716.00 | 96,712.10 | 96,712.10 | 21.85% | 346,003.90 |
| Total Income | <u>442,816.00</u> | <u>96,736.83</u> | <u>96,736.83</u> | <u>21.85%</u> | <u>346,079.17</u> |
| Gross Income | 442,816.00 | 96,736.83 | 96,736.83 | 21.85% | 346,079.17 |
| Expense | | | | | |
| 69175 · Surcharge 2 Loan | | | | | |
| 69180 · Principle | 240,000.00 | 120,000.00 | 120,000.00 | 50.0% | 120,000.00 |
| 69185 · Interest | 74,293.00 | 38,130.67 | 38,130.67 | 51.33% | 36,162.33 |
| Total 69175 · Surcharge 2 Loan | <u>314,293.00</u> | <u>158,130.67</u> | <u>158,130.67</u> | <u>50.31%</u> | <u>156,162.33</u> |
| Total Expense | <u>314,293.00</u> | <u>158,130.67</u> | <u>158,130.67</u> | | |
| Net Income | <u><u>128,523.00</u></u> | <u><u>-61,393.84</u></u> | <u><u>-61,393.84</u></u> | | |



**Items for Discussion and Action
Agenda Item: 4.1**

Date: November 27, 2023
Subject: General Manager’s Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

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

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Date: November 27, 2023

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

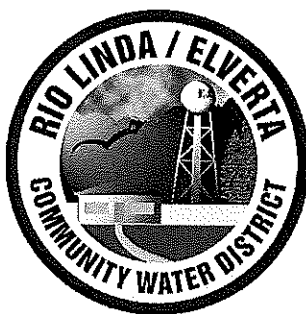
For the given month, I participated in the following reoccurring meetings and special events. The sudden failure of the Samsung Office phone system and consequent efforts to set up a replacement were additional demands for District resources. We have begun the negotiations for the 2023 Cost of Living Adjustment (COLA), which adds a demand for resources and increased stress.

1. On October 25th , I met with a T-Mobile, government agencies representative, who described the T-Mobile equivalent of the Verizon service the District uses now. The T-Mobile representative lives in Rio Linda.
2. On October 26th, I participated in a meeting of the Regional Groundwater Contamination group. This quarters meeting featured a representative from the California Regional Water Board, who described the regulatory gauntlet of permitting Aquifer Storage and Recovery (ASR) well.
3. On November 1st , I met with Crexendo webphone systems to discuss the need to accelerate the exploration of replacing the District's Samsung office phone system. The Crexendo Office phone application is less expensive than the current system. The transition would allow the District to declare the Samsung system and phones as surplus, and would also allow the District to inactivate at least one of the existing cell phones, saving an additional \$25 per month.
4. On November 2nd I met offsite with Teamster Local 150 to begin negotiations for the 2023 Cost of Living Adjustment.
5. On November 8th, the Contract District Engineer and I participated in the monthly Executive Committee meeting.
6. On November 13th , I participated in a meeting with Crexendo webphone representative.
7. On November 14th and 21st, I met with the RLECWD 2023 COLA Negotiation Ad Hoc Committee.

Throughout the reporting period, additional demands for resources were incurred from:

- Review of District Responses to United States discovery requested documents.
- Corresponding with Crexendo staff to transition the phone system, including temporarily including myself in phone answering duties due to the temporary set up.

Annual inflation remains flat at 3.2%. Some economic experts are projecting the inflation may decrease below 3% in the future, with food and fuel pricing showing signs of declining.



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

Date: November 27, 2023
Subject: Public Works Projects Report
Contact: Mike Vasquez

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

Engineer, Mike Vasquez will provide a report of District activities over the period since the last regular Board meeting. The Board may ask for clarifications and may also provide direction in consideration of the reported activities.

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



VASQUEZ ENGINEERING

PO BOX 1808
ROCKLIN, CA 95677
PHONE: 530-682-9597
gmvasquez@vasquez-engineering.com

16

20 November 2023

DISTRICT ENGINEER'S REPORT

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

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

Subject: **District Engineer's Report for the 27 November 2023 Board of Directors Meeting**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 19 October 2023 to 20 November 2023:

1. General District Engineering:

- a. EKI Environment and Water, Inc. Contract Termination: Staff received written communication from EKI's president on 11/7/2023 notifying the District of EKI's formal notice of termination of the 2018 Agreement with the District and their decline to enter into an amended agreement with the District to provide as-needed engineering services, as was approved by the District Board at the 10/23/2023 Board Meeting. EKI stated lack of local EKI staff and lack of EKI staff availability as reasons for their notice. In the event as-needed engineering services are required for future District projects, subconsultants may be contracted through the current District agreement with Vasquez Engineering, or through the District's Request for Proposals procurement process.
- b. Well 15 Hexavalent Chromium Treatment Project: Staff has had brief communications with former Ionex engineering staff regarding a treatment system using a strong base anion resin to capture and neutralize hexavalent chromium 6, that optimizes the efficiencies of ion exchange, and produces less waste. This reduces waste disposal concerns and expenses. Staff is working to schedule a meeting with treatment staff to further discussion of treatment system applicability at Well 15.

2. Active Development Reviews (only projects with updates from the last Board Meeting):

- a. 805 O Street Tentative Parcel Map (5 lots, northeast corner 8th Street and O Street): Staff received a request from Sacramento County to review a proposed residential development at the subject location on 10/31/2023. Staff reviewed the project and provided comments with water system connection requirements on the same day.

3. CIP Dry Creek Road Pipe Replacement Project Phase 1 & 2:

- a. Construction contractor Rawles Engineering, Inc. has completed all work associated with the project. District Staff and Sacramento County Inspection Staff have accepted the project as complete.
 - b. Staff processed final construction and retention payments for the contractor on 10/31/2023.
-

Tim Shaw, General Manager, RL/ECWD
District Engineer's Report
20 November 2023
Page 2 of 2

- c. The remaining 500 linear feet of pipeline from the south end of Phase 2 to the Dry Creek Road and Q Street intersection is planned to be installed using 2024/2025 fiscal year Capital Improvement Program budget for the District's Annual Pipe Replacement Program, beginning in July 2024 upon authorization to proceed from the Board of Directors at that time.
 - i. Staff will monitor pipe costs and availability over the next several months as preparation for the next phase of the annual pipe replacement project.
 - ii. An amended encroachment permit from Sacramento County will be needed for the next phase. Encroachment permits are valid for one year, therefore Staff will initiate the encroachment permit process in May 2024.

Please contact me at (530) 682-9597, or email at gmvasquez@vasquez-engineering.com with any questions or require additional information.

Respectfully,

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



Items for Discussion and Action Agenda Item: 4.3

Date: November 27, 2023
Subject: Filling Water System Operator Positions via Lateral Transfer / Promotion
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee Recommends the Board authorize the filling of three Water System Operator positions pursuant to the terms stipulated in the current Memorandum of Understanding (MOU).

Current Background and Justification:

The current MOU stipulates the District is obligated to fill the Water System Operator positions within 6-months of the State publishing the Notice of Proposed Rule Making for the readoption of the Hexavalent Chromium Maximum Contaminant Level. Further, the MOU stipulates the filling of these new positions will be via the District’s Lateral Transfer / Promotion policy.

Filling positions via Lateral Transfer / Promotion means the vacancy will be filled by qualified, existing employees, who complete the application. The vacancies created by the transitioning employees will NOT be backfilled.

Conclusion:

Sample motions: Move to authorize filling of the following three positions:

- 1. Water System Superintendent
- 2. Water System Foreman
- 3. Water System Operator 2

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



**Items for Discussion and Action
Agenda Item: 4.4**

Date: November 27, 2023

Subject: Resolution 2023-08, Updating Hydrant Use Charges

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends the Board adopt Resolution 2023-08 to update specified charges for hydrant usage.

Current Background and Justification:

Exhibit 3 to Ordinance 2013-01 includes dollar amounts for meter deposits and water usage (volumetric rates). Over the 10-years since Ordinance 2013-01 was adopted, these charges have become outdated.

Instead of simply updating the charges, Resolution 2023-08 uses the concept of current costs and current rate structure. This is intended to reduce the frequency of updates as inflation occurs over time. For example, the deposit for hydrant meters would change to, "current meter replacement cost".

Conclusion:

Sample Motion: Move to adopt Resolution 2023-08.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____

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

EXHIBIT 3

WATER HYDRANT USE FEES

Use of water from District hydrants as provided under **§4.21.140** of the Water System Regulations shall be in accordance with the following fees and charges:

| Hydrant Use Fees | |
|---------------------------------------|--|
| Hydrant Permit Fee..... | \$100.00 |
| Hydrant Meter Monthly Use | \$40.00 per month with a one (1) month minimum |
| Hydrant Water Use Charge..... | Current Volumetric Rate for Commercial Irrigation |
| Hydrant Meter Refundable Deposit..... | Current Cost to Replace Meter |
| Unauthorized Hydrant Use..... | \$200.00 per day, plus estimated water use charge |

The fee provisions of **§4.07.320** of the Water System Regulations are hereby repealed and superseded.

The General Manager may waive the use of a hydrant meter upon hydrant permit application if it is determined that the use of water is estimated to be less than 1000 cubic feet and the time period for use does not extend beyond fourteen (14) days. A District hydrant meter is also not required for governmental agencies billed on an annual, or other periodic, basis as approved by the General Manager. The General Manager may also waive the Hydrant Meter Deposit for nonprofit and governmental organizations using the meter for a period of less than five (5) days. Any organization receiving a deposit waiver shall sign a statement indicating that they will pay for the repair or replacement of any damaged or lost meters. All other charges shall be applicable.

RESOLUTION NO. 2023-08

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ ELVERTA
COMMUNITY WATER DISTRICT TO AMEND EXHIBIT 3 SERVICE FEES AND
CHARGES OF ORDINANCE 2013-01
Charges for Hydrant Use**

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

WHEREAS, Exhibit 3 of Ordinance 2013-01, Service Fees and Charges includes fees and charges for hydrant uses, and

WHEREAS, some of the charges listed in Exhibit 3 to Ordinance 2013-01 have become outdated over the 10 (ten) years since Ordinance 2013-01 was adopted, and

WHEREAS, the outdated charges result in the District collecting less than the cost of service , and

WHEREAS, a change in formatting to Exhibit 3 of Ordinance 2013-01 would reduce the need for recurring revisions by changing the current dollar amount for the meter deposit to “current cost to replace meter”, and changing the stipulated rate for water consumed to reference the current rate structure.

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

Revision 1 to Exhibit 3 of Ordinance 2013-01 (attached hereto) is hereby adopted with an effective date of November 27, 2023.

APPROVED AND ADOPTED by the Board of Directors of the Rio Linda / Elverta Community Water District on this 27th day of November 2023. By the following vote:

AYES: .

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

Vicky Young
President, Board of Directors

Timothy R. Shaw
Secretary of the Board of Directors

EXHIBIT 3

WATER HYDRANT USE FEES

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| <u>Hydrant Use Fees</u> | |
|---------------------------------------|--|
| Hydrant Permit Fee..... | \$100.00 |
| Hydrant Meter Monthly Use | \$40.00 per month with a one (1) month minimum |
| Hydrant Water Use Charge..... | Current Volumetric Rate for Commercial Irrigation |
| Hydrant Meter Refundable Deposit..... | Current Cost to Replace Meter |
| Unauthorized Hydrant Use..... | \$200.00 per day, plus estimated water use charge |

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**Items for Discussion and Action
Agenda Item: 4.5**

Date: November 27, 2023

Subject: Sacramento County LAFCo Election and Election Methodology

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends the Board vote for:

- 1. A special district representative to Sacramento County Local Agency Formation Commission (LAFCo).
- 2. A voting method option.

Current Background and Justification:

Two letters for Sacramento County LAFCo, which are associated with this item, provide sufficient detail and instructions for complying with their request.

Conclusion:

The Board should vote for:

- 1. A special districts representative on the Local Agency Formation Commission.
- 2. An alternative voting method to mitigate the challenges LAFCO has repeatedly endured in achieving a quorum.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ *Green _____ Harris _____ Young _____

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



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION


1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458

www.saclafco.org

MEMO

DATE: October 12, 2023

TO: RIO LINDA/ELVERTA WATER DISTRICT Presiding Officer

FROM: José C. Henríquez, Executive Officer 
Sacramento Local Agency Formation Commission

SUBJECT: Election of Special District Representative to Sacramento LAFCo – Extension of time

The Special District Selection Committee is electing a regular representative to serve a new 4-year term beginning in January 1, 2024.





Due to the size of the Special District Selection Committee, it has been difficult to establish a quorum when meeting in person. Therefore, pursuant to the provisions of Government Code §56332(f), the Executive Officer has determined that the business of the Special District Selection Committee will be conducted in writing to elect a regular Special District Representative to Sacramento LAFCo.

The election started on July 18, 2023 and was supposed to end on September 30th; however a quorum of ballots has not been achieved. We are 8 ballots short of a majority of special districts in Sacramento voting in this election. LAFCo will exercise its ability to extend the election by no more than 60 days.



Election of Special District Representative to LAFCO

At the time the election ends, in order to be selected as a LAFCo Representative, a nominee must receive more than fifty-percent (50%) of the submitted votes. Enclosed with this memo you will find a ballot and a copy of each candidate's Statement of Qualifications received as of the date of this memo. Please note that there is one regular (voting) seat up for election.

Commissioners

Sue Frost, Rich Desmond, County Members  *Patrick Hume, Alternate*
Sean Loloe, Iva Walton, City Members  *Katie Valenzuela, Jay Vandenburg, Alternates*
Chris Little, Public Member  *Timothy Murphy, Alternate*
Lindsey Liebig, Gay Jones, Special District Members  *Charlea Moore, Alternate*

Staff

José C. Henríquez, Executive Officer  *Desirae Fox, Policy Analyst*  *Kristi Grabow, Policy Analyst*
Nancy Miller, DeeAnne Gillick, Commission Counsel

The nominees, in alphabetical order, are:

- 1) Lindsey Carter, Herald Fire Protection District
- 2) Brian Danzl, Cordova Recreation & Park District
- 3) Paul Lindsey, Florin Resource Conservation District
- 4) Joanna McVay, North Highlands Recreation & Park District
- 5) Edwin Perez, Reclamation District 1000
- 6) Michael Seaman, Fulton El Camino Recreation & Park District
- 7) Robert "Bob" Wichert, Sacramento Suburban Water District

Option of Electronic Elections

Government Code §56332(c)(4) gives LAFCo and Special Districts the option of completing the election of special district representatives via e-mail. This would be more convenient for some districts and a time/cost saver to LAFCo. In order to implement this, however, LAFCO needs to have the consent of the districts and an indication of those districts that wish to participate in this manner. There are two questions for your district to consider.

1. On the first question, a "Yes" vote means you authorize LAFCo to send out ballots via e-mail to those special districts who choose to vote electronically in future elections. A "No" vote means LAFCO should continue to distribute paper ballots to all districts and distribute them via certified mail.
2. On the second question, if a plurality of districts approves electronic voting in the first question, a "Yes" vote means you wish to receive electronic ballots in future elections and have the option to return your ballot in an electronic format (e-mail, fax or scanned ballot). A "No" vote means your district prefers to continue to receive and submit paper ballots.

You can choose to vote "Yes" to the first question to authorize electronic distribution of ballots but vote "No" to the second if your District wants to continue to receive paper ballots.

Extension of Election Deadline

The extended voting period will be 49 days from October 12. All votes are due in writing on or before **5:00 pm on November 30, 2023**. Voting will cease on this date or whenever a quorum of special districts is reached, whichever occurs later. Please do not forget to have the Board President, or Chair, or the presiding officer of the board meeting in which you made your selection sign the returned ballot.

District managers or other staff members may not substitute their signature for Board President, or Chair, or the presiding officer's signature.

Thank you for your time and please feel free to contact me or any member of my staff at 916-874-2937 if you have any questions.



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
 1112 I Street, Suite 100 • Sacramento, CA 95814 • (916) 874-6458
 www.saclafco.org

Mail to: LAFCO
1112 I Street, Suite 100
Sacramento, CA 95814

ELECTION BALLOT

Special District Representative to LAFCo Regular Seat #7

The election ends on November 30, 2023 at 5:00 p.m. or until a quorum of Special District ballots is received, whichever occurs later.

| Candidate & District | Select one (1) |
|---|----------------|
| Lindsey Carter, Herald Fire Protection District | |
| Brian Danzl, Cordova Recreation & Park District | |
| Paul Lindsay, Florin Resource Conservation District | |
| Joanna McVay, North Highlands Recreation & Park District | |
| Edwin Perez, Reclamation District #1000 | |
| Michael Seaman, Fulton-El Camino Recreation & Park District | |
| Robert "Bob" Wichert, Sacramento Suburban Water District | |

LAFCo and Special Districts have the option of completing the election of special district representatives via e-mail. Does your district approve of LAFCo distributing electronic ballots to districts that wish to receive them in the future?

Yes No

If so, in the future does your district prefer to receive its ballot via e-mail and submit its vote electronically (via fax, e-mail or scanned ballot)?

Yes No

if Yes, ballots should be sent to e-mail address: _____

BALLOT CONTINUES ON THE NEXT PAGE

Commissioners

Sue Frost, Rich Desmond, County Members [■] *Patrick Hume, Alternate*
Iva Walton, Sean Loloee, City Members [■] *Jay Vandenburg, Katie Valenzuela, Alternates*
Chris Little, Public Member [■] *Timothy Murphy, Alternate*
Lindsey Liebig, Gay Jones, Special District Members [■] *Charlea Moore, Alternate*

Staff

José C. Henriquez, Executive Officer [■] *Desirae Fox, Policy Analyst* [■] *Kristi Grabow, Policy Analyst*
Nancy Miller, DeeAnne Gillick, Commission Counsel

2023 Special District Election Extension Ballot
October 12, 2023
Page 2 of 2

SIGNATURE OF PRESIDING OFFICER (Original Signature Required):

«Agency»

Note: Presiding Officer is the Chair/President. Any other signature invalidates this ballot, unless accompanied by Meeting Minutes designating an alternate.

PRINTED NAME OF PRESIDING OFFICER (Required):

«Agency»

AGENDA ATTACHED (Optional): Yes No

Attest:

District Secretary, Clerk or General Manager




SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
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



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José C. Henríquez, Executive Officer  *Desirae Fox, Policy Analyst*  *Kristi Grabow, Policy Analyst*
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District managers or other staff members may not substitute their signature for Board President, or Chair, or the presiding officer's signature.

Thank you for your time and please feel free to contact me or any member of my staff at 916-874-2937 if you have any questions.

Robert P. "Bob" Wichert Qualifications For LAFCO

Lifelong resident of Sacramento County.

18 years employed by the Sacramento Municipal Utility District with frequent Board interactions and direction. Experience on hydroelectric power projects, and personally responsible for establishment of the first customer-choice all-renewable energy program in California, SMUD Greenergy ©.

Currently serving my third elected term on the Board of Directors of the Sacramento Suburban Water District including prior service as Board President.

Qualification as a Master's Candidate in Communication Studies at the California State University, Sacramento.

Five years as a member of the United Nations Sub-Committee of Experts on the Transport of Dangerous Goods.

Five years as a member of the International Civil Aviation Organization Dangerous Goods Panel.

Service as a writing member expert on Institute of Electrical and Electronics Engineers standards committees.

Service as a writing member expert on American Society of Mechanical Engineers codes and standards.

Service as a writing member expert on National Fire Protection Association codes and standards.

Fifteen years as a Professional Engineer in private practice, Robert P Wichert Professional Engineering, Inc.

Lindsey Carter

11546 Twin Cities Road Galt, CA 95632 | 209.712.7120 | lindsey@heraldfire.com

Experience

EXECUTIVE DIRECTOR | CALIFORNIA AGRICULTURAL COMMISSIONERS & SEALERS ASSOCIATION | DECEMBER 2021 - PRESENT

- Manage organizational functions including personnel, budget, legislative advocacy, communications, and membership development.
- Serve as the advocacy representative at state legislative meetings, industry functions and other statewide meetings and events; regularly provide legislative updates on tracked legislation to board of directors and members.
- Oversee budget for organization and various affiliates.
- Manage bylaws, procedures, and filings for board of directors, committees, and advisory groups, including meeting agenda and minutes creation and distribution.
- Develop organization's strategic plan and implement with board and staff engagement utilizing outside consultants.
- Manage updates for organization and subsidiary websites.
- Administer all grant programs and reporting for all activities.

Public Boards & Committees

- Commissioner, Sacramento County Local Area Formation Committee (LAFCo) - 2020- present
- Board Member, Herald Fire Protection District – Elected to 4-year term in 2020
- Director, Sloughhouse Resource Conservation District – Appointed to 4-year term in 2020
- Cosumnes Groundwater Authority JPA, Current Alternate Member – 2021 - present
- Member, Protest Provisions Rewrite Working Group, CSDA/CALAFCO – 2019 - 2021
- Commissioner Member, Sacramento LAFCo Special District Advisory Committee – 2018 - present
- Alternate Representative, South Sacramento Habitat Conservation Plan Implementation Review Committee – 2018 - 2021
- Alternate Representative, Sacramento Central Groundwater Authority – 2018 – 2021
- Member, CDFR SWEEP Ad-Hoc Advisory Committee - 2021

Community & Non-Profit Organization Involvement

- President, Sacramento Farm Bureau Foundation for Ag Education – 2015 – present
- President, National Sigma Alpha Educational Foundation – 2019 – 2022
- Member, California Special District Association Legislative Committee – 2020 - 2022
- Member, California Special District Association Bylaws & Policy Committee – 2020 - 2022
- Member, Elk Grove FFA Advisory Committee – 2020 - present
- Class 50 Fellow, California Agricultural Leadership Program – 2019- 2022

Brian Danzl

Director

(916) 826-1470 • bdanzl@crpd.com • Rancho Cordova, CA 95670

Dynamic professional with experience in executive management and business development. Demonstrates success in driving significant growth and profitability through strategic planning and execution of innovative business initiatives. Proven track record of building and leading high-performance teams to achieve organizational objectives and exceed customer expectations. Adept at building strong relationships with clients, stakeholders and partners to create lasting value.

Experience

MAY 20 - PRESENT

President Elect | California Association Of Recreation And Park Districts, Roseville, CA

- 1 Facilitated discussions between opposing sides in order to reach compromise solutions when necessary.
- 2 Coordinated grassroots campaigns to educate districts on issues important to the parks.

MAY 21 - MAY 21

Board Secretary | California Association Of Recreation And Park Districts, Roseville, CA

- 3 Provided administrative support to the Board of Directors, including scheduling meetings and preparing agendas.
- 4 Assisted in the preparation of board meeting minutes, resolutions, reports and other corporate documents.

DEC 10 - PRESENT

Vice Chair | Cordova Recreation And Park District, Rancho Cordova, CA

- 5 Leveraged strong interpersonal skills to build relationships with key stakeholders.
- 6 Created operational dashboards to measure performance across multiple departments.
- 7 Implemented process improvements resulting in increased efficiency within the organization.
- 8 Collaborated with board members to develop corporate governance strategies.

JAN 09 - JAN 23

Board Chair | Cordova Recreation And Park District, Rancho Cordova, CA

- 9 Reviewed financial statements and other reports to monitor organizational performance.
- 10 Developed strategies to increase diversity among board members to reflect community demographics.
- 11 Advised on best practices for corporate governance matters.
- 12 Collaborated with stakeholders on projects related to fundraising, marketing, public relations.

JAN 17 - JAN 18

Board Chair | Cordova Recreation And Park District, Rancho Cordova, CA

- 13 Facilitated effective communication between the Board and senior management teams.
- 14 Evaluated proposals from vendors for goods and services required by the organization.
- 15 Reviewed financial statements and other reports to monitor organizational performance.

JAN 15 - JAN 16

Board Chair | Cordova Recreation And Park District, Rancho Cordova, CA

- 16 Facilitated effective communication between the Board and senior management teams.
- 17 Engaged in continuous development of skills necessary for successful board leadership.
- 18 Monitored progress towards achieving established goals and objectives.

Paul Lindsay: Statement of Qualifications for Special District Commissioner for Office No. 7 on the Sacramento Local Agency Formation Commission

I currently serve as Vice Chair for the Florin Resource Conservation District (FRCD) which encompasses a good portion of southern Sacramento County. The District's work in recent years has been the provision of municipal water usage to roughly 40% of the city of Elk Grove.

Previously an Associate Director for the Florin Resource Conservation District, I was appointed to the Board to fill a vacancy and currently serve in my first full term. Retired after a 35-year career with the Social Security Administration, I worked in many different locations within California, from San Juan Capistrano to Yreka. During that time, I served in various positions, including Claims Specialist, Operations Supervisor, Area Systems Coordinator, and ultimately, District Manager. These positions required a thorough understanding of various laws and their application, IT systems, budgeting, and human resources.

My wife and I settled in Elk Grove in 1985 and I've been very involved in Civic matters since then. I've served on Sacramento County's Community Planning Advisory Commission for Elk Grove prior to its incorporation (and was heavily involved in several incorporation efforts) and was a charter member of the original Planning Commission for the City of Elk Grove, serving on it for more than seven years. I also chaired the East Elk Grove Specific Area Planning Advisory Group. Recently, I also served on the Sacramento County Grand Jury for two years (much of which was spent reviewing Special Districts, their operations, and practices). I served two years on the Cosumnes Community Service District's Landscape and Lighting Committee. During these different activities, I was able to interact with LAFCO on a variety of issues and gained an understanding of its responsibilities and duties.

I ask for your support for this position on LAFCO's Commission because I believe that I can bring a fresh perspective to the Commission and a willingness to listen, learn, and to represent Special District interests on the Commission.



**ED
PEREZ**
T R U S T E E



CONTACT

PHONE:
916-802-8053

WEBSITE:
www.RD1000.org

EMAIL:
EPerez@RD1000.org

STATEMENT OF QUALIFICATIONS

I am seeking a seat on the Sacramento LAFCO to leverage my years of professional experience in the areas of community engagement, organizational governance, and collaboration with various levels government to effectively represent special districts on the commission.

I was elected in 2022 as Trustee with Reclamation District 1000, the flood control agency for the Natomas Basin. In this brief period of time, I was able to leverage my extensive relationships with community members and organizations to help win voter approval of a stormwater service fee to fund much needed infrastructure maintenance and help ensure a flood-safe future for the Natomas Basin.

I have served as a City of Sacramento Commissioner, President of a 1,300 household homeowners association, board member of California's largest state employee organization, and served on the board of numerous community and non-profit organizations.

In these roles, I learned to value the input from concerned residents, the importance of collaborating with community partners, and the need to pay attention to details and also see the "big picture". These experiences have prepared me to serve on the LAFCO.

I would be honored to receive your vote and look forward to working with you.

Respectfully,

ED PEREZ

STATEMENT OF QUALIFICATIONS – MICHAEL J SEAMAN
for Sacramento Local Agency Formation Commission

Sacramento County resident and homeowner, 1978 - present

Veteran, U.S. Navy Civil Engineer Corps

Current Employment – Snowsports Instructor, Boreal Mountain Resort (winter seasonal)

Academic experience

- B. Architecture, University of California
- M. Urban Planning, San Jose State University
- M. Landscape Architecture/Environmental Planning, University of California
- Adjunct Professor, Sacramento State University (2 years)
- Adjunct Professor, National University (3 semesters)

Governmental experience

- Federal
 - Active and reserve service (9+ years)
 - Navy civilian employment after discharge (1 year)
- State
 - California civil service, 32 years across 6 agencies
 - Retired since 12/2009
- Local
 - County/Council of Governments staff experience in WA and OR (2+ years)
 - Member, City of Cannon Beach Design Review Board (1 year),
 - Board Member, Fulton-El Camino Recreation & Park District (28+ years – present)

Association experience

- American Institute of Architects
 - Associate Member (46 years)
 - Retired Associate AIA Emeritus (8 years - present)
- California Special Districts Association
 - Participant (28+ years - present),
 - Legislative Committee (4+ years),
 - Board Member (4 years)
- California Association of Recreation and Park Districts
 - Participant (28+ years - present)
 - Board Member (4+ years - present)
- Professional Ski Instructors of America/American Association of Snowboard Instructors
 - Member (34 years - present)
 - Certified Instructor – Nordic Track Skiing, Alpine Skiing, Snowboarding

LAFCO Experience

- Sacramento LAFCO Special Districts Advisory Committee (4 years)
- Applicant participation, Sacramento LAFCO City of Arden Arcade Measure D (11/2010)
- Observer via Advocates for Arden Arcade citizens' group and California (un)Incorporated coalition

July 2023



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

Date: November 27, 2023

Subject: Annual Comprehensive Financial Report (ACFR)

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

This item was not reviewed at the November 8th Executive Committee meeting.

Current Background and Justification:

The ACFR (formerly CAFR) is primarily the audit report with financial analysis provided in plain language, to convey the financial status of the District to the public served in easier to understand terms. The document was not ready in time for review by Committee. However, if the document is not accepted by the Board at the November 27th meeting, an extension will need to be filed.

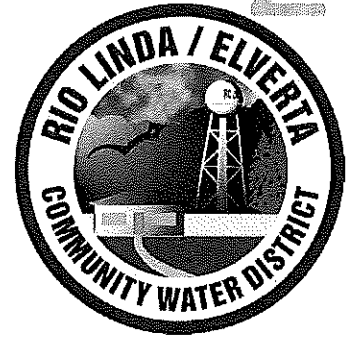
Conclusion:

Sample Motion: Move to accept the Annual Comprehensive Financial Report for fiscal year 2022/2023.

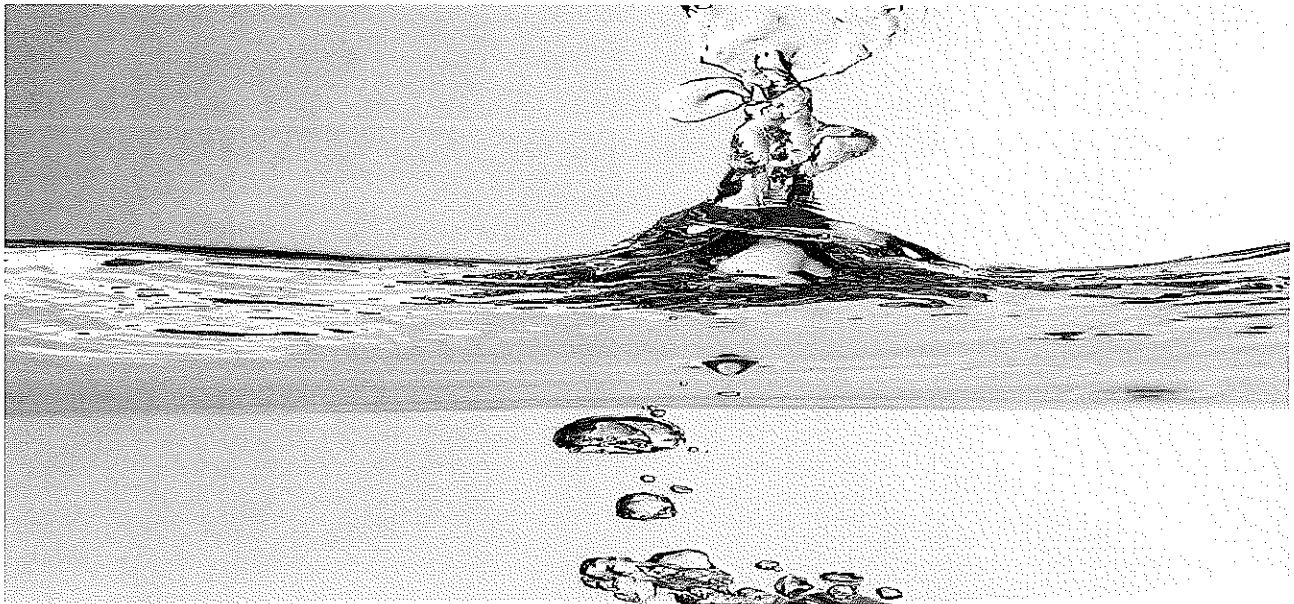
Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Rio Linda/Elverta- Community Water District

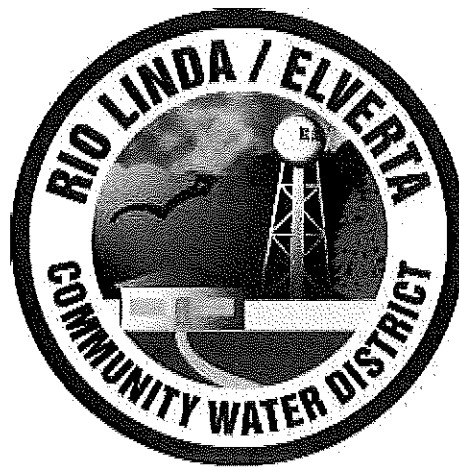


Annual Comprehensive
Financial Report

For the Fiscal Year July 1, 2022 to June 30, 2023

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**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT**



Rio Linda, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**YEAR ENDING
JULY 1, 2022 - JUNE 30, 2023**

Prepared by
Timothy R. Shaw, General Manager

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**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2023 AND 2022**

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INTRODUCTORY SECTION

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WWW.RLECWD.COM
QUESTIONS@RLECWD.COM

Telephone:
(916) 991-1000

RLECWD
730 L Street
Rio Linda, CA 95673-3433

COMMUNITY WATER DISTRICT

November 27, 2023

The Board of Directors
Rio Linda/Elverta Community Water District

The Rio Linda/Elverta Community Water District hereby submits the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including disclosures, rest with management. To the best of our knowledge and belief the enclosed data is accurate in all material aspects and is reported in a manner designed to fairly present the financial positions and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The Comprehensive Annual Financial Report includes the management discussion and analysis which should be read in conjunction with the transmittal letter. The District’s management discussion and analysis can be found immediately following the independent auditor’s report.

PROFILE OF THE GOVERNANCE

District History and Service Description

The Rio Linda/Elverta Community Water District (RLECWD) was formed in 1948 after a public vote under County Water District Law (Water Code section 30000 et seq.). The District is governed by a Board of Directors that consists of five (5) members elected at large from throughout the District. The original purpose of the District was to have a public entity in place to install, improve, operate and to include Elverta and the surrounding areas and now encompasses approximately 17.8 square miles. The District has 10 full-time equivalent employees.

The District water supply and distribution facilities consist of 13 wells and 62.1 miles of distribution main. From these wells the District pumps approximately 2,500 acre-feet of water annually to its 4,637 customers. The production average is approximately 2.2 million gallons per day (MGD). The overall system capacity is currently 14.4 MGD.

Mission Statement

The District’s mission statement is as follows: “Our Mission is to provide a safe and reliable water supply in a cost-effective manner.”

Economic Conditions and Outlook

Rio Linda and Elverta are unincorporated areas in northern Sacramento County with primarily residential bedroom communities and some commercial enterprises within its boundaries. The District is only 20% built out.

In prior years, foreclosures impacted District growth. The District was also under a State mandated Compliance Order to resolve water pressure and supply challenges, which resulted in a building moratorium halting future growth in our District. In order to lift this moratorium, the District had to increase source capacity. The construction of Well #15 was completed in October 2012 and the L St. Reservoir and Pump Station was completed in February 2015. These met the requirements of the District's compliance order and the State Water Resources Control Board lifted the District's moratorium effective January 2015.

The Well #16 Pumping station, funded via a municipal loan with debt service from Surcharge #2 was completed in the spring of 2021. Well #16 does not increase the District's drinking water capacity. Instead, Well #16 provides water with relatively low Hexavalent Chromium concentration. This enables the District to relegate other wells with higher Hexavalent Chromium to subordinate roles, e.g. standby sources.

The Elverta Specific Plan (ESP) had been delayed, due to the moratorium and a downturn in new home sales. More recently, the impediments for development have included economic infeasibility associated with the total costs for required infrastructure improvements, e.g. transportation. The aggregate costs of necessary infrastructure improvements, e.g., roads, storm drainage, sewage collection, etc., appears to be a formidable hindrance to ESP moving forward.

Significant Projects and Future Plans

Infrastructure and Water Delivery

On June 16, 2022, the State Water Board published its Notice of Proposed Rule Making for re-adoption of the Hexavalent Chromium Maximum Contaminant Level at 10 parts per billion (ppb).

The District has five wells in the District that do not meet the 10-ppb 1 MCL for Hexavalent Chromium. The planned next step for Hexavalent Chromium mitigation is well head treatment of an existing well. In addition to the capital improvement for well head treatment, the district has implemented a rate restructuring to fund the operating costs of a well head treatment, including personnel costs.

In addition, the District is working with other agencies to explore means to increase collaboration, including promulgation of conjunctive use and a regional water bank.

Customer Service and Administration

Currently, the existing office space does not meet building codes or accessibility requirements. Likewise, it is inadequately ventilated and worn beyond economic repair. As a result, new facility plans have been designed and will be constructed with future capacity fees.

Water Conservation

Conservation is an integral component of the District's projects. Conservation was previously governed by state and federal programs in conjunction with the California Urban Water Conservation Council (CUWCC). However, new mandatory water efficiency legislation adopted by the state has rendered the CUWCC MOU obsolete. The CUWCC MOU has been dissolved. The District, as with all urban water purveyors in California, has shifted its conservation efforts to be compliant with the requirements of SB-606 and AB-1668 and SB 555. A rate study/cost of service analysis and corresponding rates restructuring process was completed in August 2021. The District is 100 % metered which aids in the evaluation and monitoring of customer usage and has lead to more efficient water use via a tiered rate structure.

Regional Planning

The District is an active member of the Sacramento Groundwater Association (SGA) and the Water Forum / Water Caucus. These entities provide an umbrella for region-wide water efficiency planning, groundwater monitoring and grant funding programs for its members. In addition, the District continues to collaborate with several agencies to realize conjunctive use planning.

Financial Information

Internal Control

Management is responsible for establishing and maintaining an internal control structure designed to protect assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting practices. The internal control structure is designed to (1) provide reasonable, but not absolute, assurance that objectives are met, (2) transactions are executed in accordance with management's authorization, and (3) that transactions are recorded properly. The concept of reasonable assurance recognizes (1) that the cost of the control should not exceed the benefits likely to be derived and (2) that the evaluation of cost and benefits requires estimates and judgment by management.

Budgetary Control

The District prepares a budget as a matter of policy and financial control. It is considered a management tool for projecting and measuring revenues and expenses detailing operating expenses, capital infrastructure investments, debt obligations, and designation of reserves. For the year ending June 30, 2022, the Budget was adopted by the Board at the September 20, 2021 public hearing. The following items are reviewed as part of preparing the budget:

- Assess current conditions and needs, including system quality and safety.
- Develop goals, objections, policies, and plans based upon the assessment.
- Prioritize projects and develop work programs, based upon short-term and long-term cost effectiveness, and implement those plans and policies to evaluate their effectiveness and shortcomings.

The budget is prepared on a cash basis, which differs from the basis used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). The Executive Committee works through public meetings or workshops, which provide an extensive review of the proposed budget. The workshops are open to the public and the public is encouraged to participate. The proposed budget is presented to the Board of Directors at a regular meeting for comments, suggestions, and feedback.

The District follows an open budget process. This means that the District will notify customers in advance to provide budget information prior to the public hearing date. Public inquiries are responded to either in writing or verbally and are designed to educate and inform District customers about the District's financial operations and requirements. Pursuant to District policy, the District adopts its budget at a public hearing.

Other Information

Independent Audit

California Government Code Section 26909 requires independent annual audits to be conducted for special districts. Maze and Associates has been selected to conduct the annual audit. The auditor's report is included in the financial section of the Comprehensive Annual Financial Report.

The preparation of the comprehensive annual financial report requires the concerted efforts of several staff members. I appreciate and acknowledge all staff who contributed to this report. Additionally, I express gratitude to the Rio Linda / Elverta Community Water District Board of Directors for their diligence, dedication, and support.

Sincerely,

Timothy R. Shaw
General Manager
Rio Linda/Elverta Community Water District



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rio Linda/Elverta Community Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

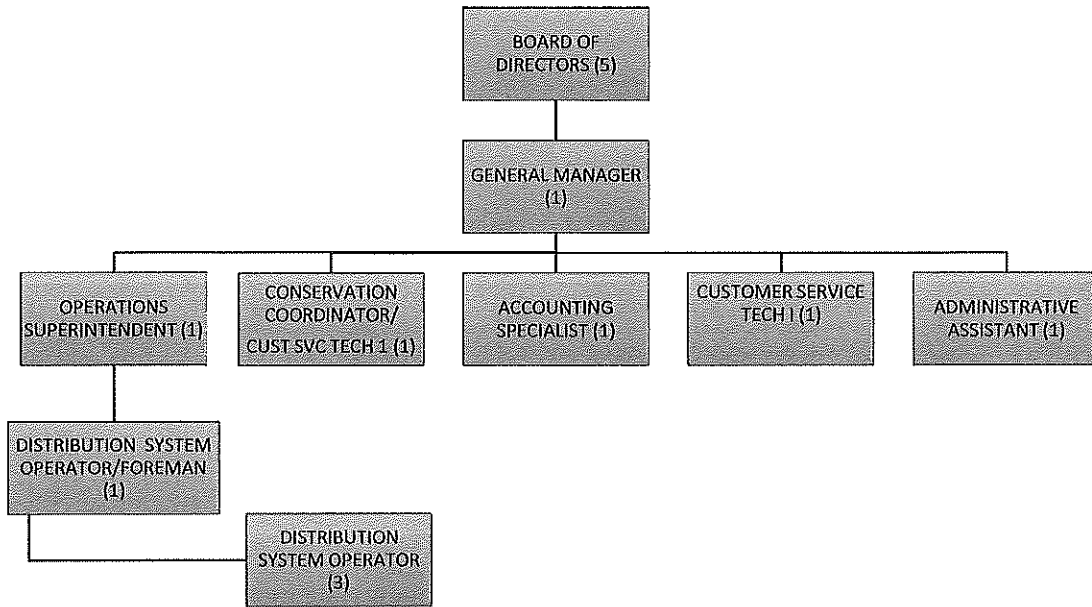
BOARD OF DIRECTORS

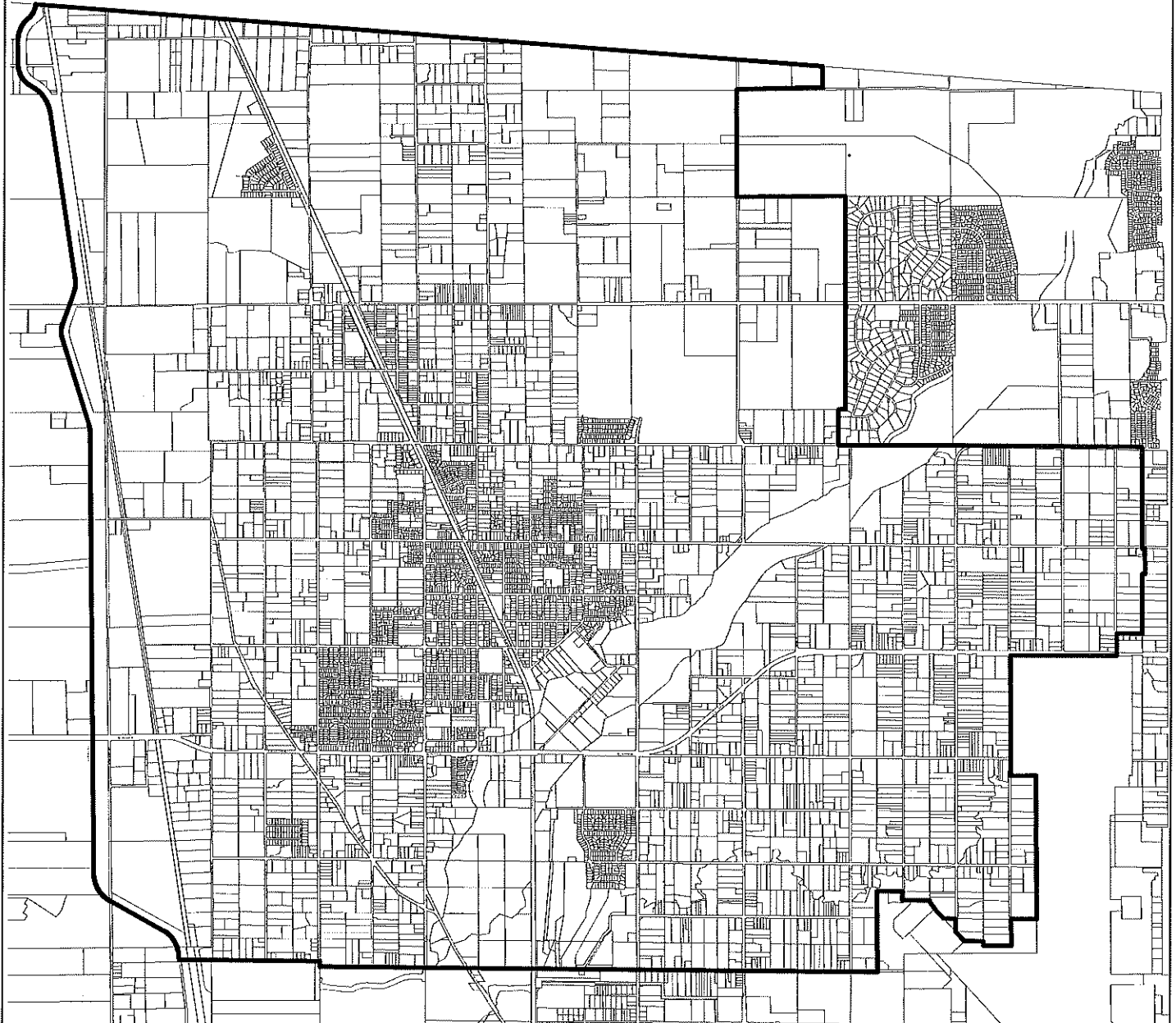
Vicky Young, President
Christopher Gifford, Vice President
Anthony Cline, Director
Jason Green, Director
Mary Harris, Director



EMPLOYEES

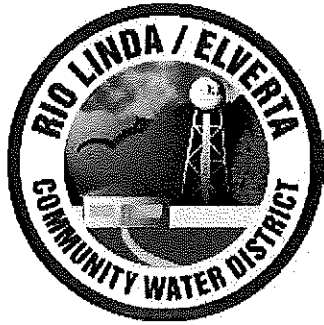
Tim Shaw, General Manager
Pat Goyet, Operations Superintendent
Renita Lehman, Admin. Assistant
Deborah Denning, Accounting Specialist
Kimberly Bassett, Customer Service Tech 1
Sara Michel, Customer Service Tech 1/ Conservation Coordinator
Justin Davis, Dist. System Op 3 / Foreman
Frank Chacon, Dist. System Op 3
Jamaal Pete, Dist. System Op 1
Benny Archibeque, Utility Worker

Rio Linda Elverta Community Water District
Organizational Chart 2023





| | | |
|---|---|--|
|  <p>Rio Linda / Elverta Community Water District 730 L Street Rio Linda, CA 95673</p> | <p>Exhibit A</p> | <p>MAY 2018</p> |
| | <p>RLECWD SERVICE AREA BOUNDARY MAP UPDATED MAY 21, 2018</p> |  <p>AFFINITY ENGINEERING</p> |



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rio Linda/Elverta Community Water District
Rio Linda, California

Opinion

We have audited the accompanying financial statements of the business-type activities of the Rio Linda/Elverta Community Water District (District), California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2022 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated January 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Maze + Associates

Pleasant Hill, California
October 23, 2023

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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2023 and 2022

The management of the Rio Linda/Elverta Water District (District) presents this Management's Discussion and Analysis to achieve two goals:

To comply with the requirements of Governmental Accounting Standards Board Statement 34 (GASB 34) that are designed to provide more and easier-to-understand information about the finances of local government agencies such as the District; and,

To provide readers with narrative information that may help in understanding and interpreting the information presented in the District's financial statements for the fiscal year ended June 30, 2023 (FY 2022-23).

Questions or comments regarding this Management's Discussion and Analysis may be directed to the District General Manager via the following methods:

Mailing address: Rio Linda/Elverta Community Water District
730 L St.
Rio Linda, California 95673

Telephone: (916) 991-1000
E-mail: gm@rlcwd.com

Financial Highlights

The following items are, in the opinion of District management, among the most significant in assessing the District's overall financial activities and financial position at the close of FY 2022-23.

- ❖ The District's assets exceeded its liabilities by \$15,375,901 as of June 30, 2023, which is an increase of \$670,391 compared to June 30, 2022. Total assets increased by \$730,355 while total liabilities increased by \$59,964. The deferred outflow increased \$627,124 to \$1,106,047 and deferred inflows increased \$81,196 to \$142,087 as of June 30, 2023. The District's net investment in capital assets, \$9,494,326, is composed of the capital assets of the District net of related debt – the water transmission and distribution system, water production facilities, land, buildings, and equipment belonging to the District. Unrestricted net position totaled \$6,140,309, an increase of \$551,935 from the end of FY 2021-22.
- ❖ The District's operating revenues were \$3,037,804 and non-operating revenues were \$1,158,234, totaling \$4,196,038. Water sales to customers totaled 70% of all revenues.
- ❖ The District's total net long-term liabilities were \$7,598,921 and includes the Water Revenue Refunding Bond, State Revolving Fund Loan, Water Meter Replacement Loan, Installment Sales Agreement, Unearned revenue, OPEB Liability, and Net Pension Liability.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis

June 30, 2023 and 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: (1) Management's Discussion and Analysis; and (2) the financial statements, which includes the notes to financial statements.

The financial statements provide both long-term and short-term information about the District's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

The Statement of Net Position presents the financial position of the District on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year-end.

Statement of Net Position

As of June 30, 2023, the total net position of the District was \$16,339,861. The following table summarizes assets, liabilities, and net position on June 30, 2023, 2022, and 2021:

| | 2023 | 2022 | 2021 |
|--|---------------------|---------------------|---------------------|
| Current Assets, Unrestricted | \$2,574,664 | \$2,576,162 | \$1,946,949 |
| Restricted Cash and Cash Equivalents | 5,778,333 | 4,894,831 | 4,471,165 |
| Capital assets, net | 15,809,931 | 15,961,580 | 16,501,597 |
| Total Assets | <u>24,162,928</u> | <u>23,432,573</u> | <u>22,919,711</u> |
| Total Deferred Outflows | 1,106,047 | 478,923 | 729,108 |
| Total Assets and Deferred Outflows | <u>25,268,975</u> | <u>23,911,496</u> | <u>23,648,819</u> |
| Current Liabilities | 1,188,106 | 1,031,507 | 1,019,223 |
| Long-term Liabilities | 7,598,921 | 7,695,556 | 9,682,257 |
| Total Liabilities | <u>8,787,027</u> | <u>8,727,063</u> | <u>10,701,480</u> |
| Total Deferred Inflows | 142,087 | 60,891 | 113,297 |
| Total Liabilities and Deferred Inflows | <u>8,929,114</u> | <u>8,787,954</u> | <u>10,814,777</u> |
| Net Position | | | |
| Net investment in capital assets | 9,494,326 | 8,829,942 | 8,593,770 |
| Restricted debt service reserves | 705,226 | 705,226 | 705,226 |
| Unrestricted | 6,140,309 | 5,588,374 | 3,535,046 |
| Total Net Position | <u>\$16,339,861</u> | <u>\$15,123,542</u> | <u>\$12,834,042</u> |

The District's net position reflects Debt Service restrictions imposed as its loan requirements.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2023 and 2022

Below is a summary analysis of changes:

| Summary Analysis of Changes | 2022/2021 | 2021/2020 |
|--|------------------|------------------|
| Total Assets and Deferred Outflows | 1.11% | -0.59% |
| Total Liabilities and Deferred Inflows | -18.74% | -10.77% |
| Total Net Position | 17.84% | 9.97% |
| Summary Analysis of Changes | 2023/2022 | 2022/2021 |
| Total Assets and Deferred Outflows | 5.68% | 1.11% |
| Total Liabilities and Deferred Inflows | 1.61% | -18.74% |
| Total Net Position | 8.04% | 17.84% |

Changes in Net Position

The following table summarizes the changes in net position for the fiscal years ended June 30, 2023, 2022, and 2021:

| | 2023 | 2022 | 2021 |
|---|-------------------|-------------------|-------------------|
| Operating Revenues: | | | |
| Water sales | 2,931,440 | 2,832,861 | 2,748,710 |
| Other operating revenues | 106,364 | 145,750 | 123,528 |
| Total Operating Revenues | <u>3,037,804</u> | <u>2,978,611</u> | <u>2,872,238</u> |
| Operating Expenses: | | | |
| Personnel services | 1,457,145 | 220,703 | 1,191,017 |
| Professional services | 110,585 | 87,992 | 112,714 |
| Field operations | 460,630 | 377,740 | 467,761 |
| Conservation | - | - | - |
| Administration | 243,925 | 213,456 | 202,119 |
| Depreciation and Amortization | 750,561 | 754,396 | 622,225 |
| Total Operating Expenses | <u>3,022,846</u> | <u>1,654,287</u> | <u>2,595,836</u> |
| Net Income from Operations | 14,958 | 1,324,324 | 276,402 |
| Non-Operating Revenues(Expenses) | | | |
| Surcharge | 968,683 | 965,073 | 963,729 |
| Other non-operating revenues | 189,551 | 167,252 | 161,363 |
| Non-Operating Expenses | (218,007) | (245,342) | (266,602) |
| Net Non-Operating Revenues | <u>940,227</u> | <u>886,983</u> | <u>858,490</u> |
| Net Income before capital contributions | <u>955,185</u> | <u>2,211,307</u> | <u>1,134,892</u> |
| Capital Contributions | | | |
| Capacity Fees | 261,134 | 78,193 | 90,900 |
| Capital Grants | - | - | 505,000 |
| Total Capital Contributions | <u>261,134</u> | <u>78,193</u> | <u>595,900</u> |
| Change in net position | 1,216,319 | 2,289,500 | 1,730,792 |
| Net position, beginning of year | <u>15,123,542</u> | <u>12,834,042</u> | <u>10,057,923</u> |
| Net positions, end of year | <u>16,339,861</u> | <u>15,123,542</u> | <u>12,834,042</u> |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2023 and 2022

Changes from Fiscal Year 2021-2022 to Fiscal Year 2022-2023:

Total net position increased \$1,216,319 or 8.04%.

Total operating revenues increased \$59,193 or 1.99%. Operating revenue exceeded operating expenses by \$14,958. Operating expenses increased by \$1,368,559, a 82.73% increase.

Changes from Fiscal Year 2020-2021 to Fiscal Year 2021-2022:

Total net position increased \$2,289,500 or 17.84%.

Total operating revenues increased \$106,373 or 3.7% Operating revenue exceeded operating expenses by \$1,324,324. Operating expenses decreased by \$941,549, a 36.27% decrease.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District's net investment in capital assets was \$9,494,326 including: the water transmission and distribution system (underground pipelines, water services, water meters, fire hydrants, and other components); water production facilities (groundwater wells); land; buildings and both mobile and fixed equipment.

Additional information on the District's capital assets can be found in Note 3, Capital Assets, of the notes to the basic financial statements.

Debt Administration

The District continues to meet its debt obligations under its Water Revenue Refunding Bonds. Through scheduled debt service payments during 2022-23, principal on its collective debt was reduced by \$152,273 during the year. The District's total debt from its 2016 issuance now stands at approximately \$1.5 million.

The District continues to meet its debt obligations to the State Water Resource Control Board State Revolving Fund (SRF) Loan through scheduled debt service payments during 2022-23, principal on its collective debt was reduced by \$380,377 during the year. The District's total debt from the SRF Loan now stands at approximately \$2.9 million.

The District continues to meet its debt obligation called the Meter Replacement Loan for the AMR/AMI Meter Program capital improvement project. Principal on its collective debt was reduced by \$53,330 during the year. The District's total debt from the Meter Replacement Loan now stands at approximately \$139,741.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2023 and 2022

During FY 18-19, the District entered into an installment sale agreement (Surcharge 2) with Opus Bank, now Pacific Premier Bank for \$3.87 million. During FY 22-23, the District paid principal of \$230,000 on this debt. As of June 30, 2023, the District's total debt from the Pacific Premier Bank loan was \$2.32 million.

Compensated absences, composed of vacation hours earned by employees that are payable upon termination or retirement, are valued at \$65,683 at the end of 2022-23, an increase of \$8,681 from the 2021-22 year-end amount of \$57,001.

Additional information on debt activity can be found in Note 4, Long-Term Liabilities, of the notes to the basic financial statements.

ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS

The District adopted a budget for FY 2023-24 (\$3.26 M revenue and \$2.64 M expenses) with a 3.64% increase in income, a 2.93% increase in expense, and a 6.77% increase in net income compared with the FY 2022-23 Operating Budget.

The trend of historical levels of inflation experienced in FY 2022-23 have leveled off but the District anticipates a moderate pace throughout FY 2023-24. One of the mitigations to inflation approved by the Board was to reallocate funding for the annual capital improvement projects budget back into the operating budget. The trend of inflation seems to have peaked but remains higher than long-term assumptions. The multi-year rate study operating costs and CalPERS pension costs both assume a maximum inflation of 3%. Other forms of mitigation for inflation have included cost cutting efforts such as switching to lower cost service providers and/or terminating services and memberships entailing annual dues.

The District completed a rate study/cost of service analysis for a multi-year rate restructuring, and the Board adopted the new rates at the public hearing on August 16, 2021. The adoption of new state laws (SB 555, SB 606, AB 1668) has created new requirements for water efficiency and limits on water loss. These laws also influenced the new rate structure. Additionally, the Governor issued an executive order declaring a drought emergency and requiring all urban water purveyors to implement their respective Water Shortfall Contingency Plans (mandated conservation). For calendar year 2022, the District sold nearly 11% less water than it did in 2020 (the base year stipulated by the Governor for determining compliance with the Executive Order) and 9% less than calendar year 2021. The rate structure adopted by the Board in August 2021 included drought emergency rates to mitigate the loss of revenue consequent to mandated conservation. However, the Board has declined to authorize the implementation of the drought emergency rates, which compounds the impact of record levels of inflation.

A significant portion of the District's budget continues to be repayment of the long-term debt including the Water Revenue Bond, Water Meter, Surcharge 1, and Surcharge 2 loans in the amount of approximately \$1.03 million per year representing principal and interest.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

Management's Discussion and Analysis
June 30, 2023 and 2022

A complex formula and practices deployed by CalPERS results in a lag between events impacting employee pension Unfunded Accrued Liability (UAL) and the CalPERS implementation of increased annual UAL payments. The net effect of these CalPERS formulas/practices is a much higher total interest amount paid by the employers. Additionally, the ramp up in annual payments is not linear, the increase in the first two years following a change is approximately 2% to 3%. The increase in the subsequent 18-years is in the 15% to 20% range. To illustrate; the increase in the annual payment the District would have paid in July 2021 is at least 16% higher than the \$68,000 payment the District paid in July 2020. As such, The District executed mitigation measures to offset the dramatic annual UAL payments it would otherwise incur. The mitigation was an internal loan from the long-term capital improvement funding to fund an Additional Discretionary Payment to CalPERS to reduce the Unfunded Accrued Liability.

The State Water Board published its Notice of Proposed Rulemaking for re-adoption of the Hexavalent Chromium (Cr6) MCL on June 16, 2023, with final adoption anticipated by the end of calendar year 2023. The District will incur costs associated with treating drinking water for Hexavalent Chromium. Funding for capital improvements for treating Hexavalent Chromium has been established. Operating costs associated with Hexavalent Chromium are addressed in the multi-year rate restructuring described above. Operating costs for Hexavalent Chromium include but are not limited to employment of properly licensed operators, consumable treatment materials and facilities insurance.

Large-scale residential development remains on the horizon, but not in the financial planning range. Additionally, infill projects in the form of Accessory Dwelling Units and some small commercial development are beginning to materialize. Rio Linda is strategically located directly between the large new commercial development in the Airport Industrial Park and the McClellan Business Park. Both areas are bringing additional jobs into the region, which may increase housing demand in the District. However, Sacramento County's planning documents, which preclude a net increase in groundwater pumping, continue to limit the District's capacity to accommodate housing demand.



BASIC FINANCIAL STATEMENTS

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 STATEMENTS OF NET POSITION
 JUNE 30, 2023
 (WITH COMPARATIVE DATA FOR JUNE 30, 2022)

| ASSETS | 2023 | 2022 |
|--|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$1,902,758 | \$1,805,244 |
| Accounts receivable | 601,193 | 689,008 |
| Accrued interest receivable | 2,071 | 699 |
| Inventory | 49,574 | 52,627 |
| Prepaid expenses | 19,068 | 28,584 |
| Total current assets | <u>2,574,664</u> | <u>2,576,162</u> |
| NON-CURRENT ASSETS | | |
| Restricted cash and investments | 5,778,333 | 4,894,831 |
| Capital assets: | | |
| Nondepreciable | 1,449,703 | 1,000,961 |
| Depreciable, net of accumulated depreciation | <u>14,360,228</u> | <u>14,960,619</u> |
| Total capital assets, net | <u>15,809,931</u> | <u>15,961,580</u> |
| Total non-current assets | <u>21,588,264</u> | <u>20,856,411</u> |
| TOTAL ASSETS | <u>24,162,928</u> | <u>23,432,573</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related | 1,097,457 | 470,063 |
| OPEB related | 8,590 | 8,860 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>1,106,047</u> | <u>478,923</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | 241,901 | 107,317 |
| Accrued salaries and benefits | 38,538 | 36,665 |
| Accrued interest payable | 26,572 | 29,217 |
| Deposits payable | 121,287 | 128,346 |
| Unearned revenue | 49,255 | 49,255 |
| Accrued compensated absences - current portion | 65,683 | 57,002 |
| Current portion of bonds and loans payable | <u>644,870</u> | <u>623,705</u> |
| Total current liabilities | <u>1,188,106</u> | <u>1,031,507</u> |
| NON-CURRENT LIABILITIES | | |
| Unearned revenue | 508,777 | 558,032 |
| Bonds and loans payable | 6,228,638 | 7,065,785 |
| OPEB Liability | 37,482 | 66,836 |
| Net pension liability | <u>824,024</u> | <u>4,903</u> |
| Total non-current liabilities | <u>7,598,921</u> | <u>7,695,556</u> |
| TOTAL LIABILITIES | <u>8,787,027</u> | <u>8,727,063</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related | 97,916 | 4,280 |
| OPEB related | 44,171 | 56,611 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>142,087</u> | <u>60,891</u> |
| NET POSITION | | |
| Net investment in capital assets | 9,494,326 | 8,829,942 |
| Restricted for debt service | 705,226 | 705,226 |
| Unrestricted | <u>6,140,309</u> | <u>5,588,374</u> |
| TOTAL NET POSITION | <u>\$16,339,861</u> | <u>\$15,123,542</u> |

See accompanying notes to financial statements

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2023
 (WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2022)

| | 2023 | 2022 |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| Water sales | \$2,931,440 | \$2,832,861 |
| Account service charges | 79,296 | 109,735 |
| Other water service fees | 27,068 | 36,015 |
| Total operating revenues | 3,037,804 | 2,978,611 |
| OPERATING EXPENSES | | |
| Personnel services | 1,457,145 | 220,703 |
| Professional services | 110,585 | 87,992 |
| Field operations: | | |
| Transmission and distribution | 128,601 | 45,038 |
| Pumping | 228,008 | 240,800 |
| Transportation | 20,293 | 15,997 |
| Treatment | 31,244 | 22,943 |
| Other | 52,484 | 52,962 |
| Administration | 243,925 | 213,456 |
| Depreciation | 750,561 | 754,396 |
| Total operating expenses | 3,022,846 | 1,654,287 |
| OPERATING INCOME (LOSSES) | 14,958 | 1,324,324 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Surcharge | 968,683 | 965,073 |
| Interest income | 22,079 | (16,757) |
| Property tax | 118,217 | 109,104 |
| Rental income | 49,255 | 49,255 |
| (Loss) gain on disposition of assets | | 25,650 |
| Interest expense | (215,823) | (240,450) |
| Other non-operating revenues and (expenses) | (2,184) | (4,892) |
| Total nonoperating revenues (expenses), net | 940,227 | 886,983 |
| INCOME BEFORE CAPITAL CONTRIBUTIONS | 955,185 | 2,211,307 |
| CAPITAL CONTRIBUTIONS | | |
| Capacity fees | 261,134 | 78,193 |
| Total capital contributions | 261,134 | 78,193 |
| CHANGE IN NET POSITION | 1,216,319 | 2,289,500 |
| NET POSITION, BEGINNING OF YEAR | 15,123,542 | 12,834,042 |
| NET POSITION, END OF YEAR | \$16,339,861 | \$15,123,542 |

See accompanying notes to financial statements

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2023
 (WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2022)

| | 2023 | 2022 |
|---|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$3,116,505 | \$2,870,807 |
| Payments to suppliers | (675,046) | (686,403) |
| Payments to employees and related benefits | (1,202,752) | (1,157,584) |
| Net cash provided by operating activities | 1,238,707 | 1,026,820 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Receipt of taxes | 118,217 | 109,104 |
| Net cash provided by noncapital financing activities | 118,217 | 109,104 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Surcharge revenue received | 968,683 | 965,073 |
| Capacity fees | 261,134 | 78,193 |
| Payments on long-term debt | (815,982) | (794,336) |
| Purchase and construction of capital assets | (598,912) | (214,382) |
| Retirement of utility plant and equipment | | (25,650) |
| Interest and fees paid on long-term debt | (218,007) | (245,342) |
| Net cash used for capital and related financing activities | (403,084) | (236,444) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Rental income | 49,255 | 49,255 |
| Interest received | (22,079) | 16,757 |
| Net cash provided by investing activities | 27,176 | 66,012 |
| NET INCREASE (DECREASE) IN CASH | 981,016 | 965,492 |
| Cash, beginning of year | 6,700,075 | 5,734,583 |
| Cash, end of year | \$7,681,091 | \$6,700,075 |
| Cash and cash equivalents consist of the following: | | |
| Unrestricted | \$1,902,758 | \$1,805,244 |
| Restricted | 5,778,333 | 4,894,831 |
| | \$7,681,091 | \$6,700,075 |

(Continued)

See accompanying notes to financial statements

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2023
 (WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2022)

| | 2023 | 2022 |
|--|-------------|-------------|
| Reconciliation of operating (loss) to net cash provided by operating activities: | | |
| Operating income (losses) | \$14,958 | \$1,324,324 |
| Adjustments to reconcile operating losses to cash flows from operating activities: | | |
| Depreciation | 750,561 | 754,396 |
| Changes in assets and liabilities: | | |
| Receivables, net | 78,701 | (107,804) |
| Inventory | 3,053 | (14,952) |
| Prepaid expenses | 9,516 | 1,321 |
| Accounts payable | 134,584 | (9,906) |
| Accrued payroll and related expenses | 1,873 | (10,555) |
| Refundable deposits | (7,059) | 16,322 |
| Compensated absences | 8,681 | 3,533 |
| Net pension liability | 285,363 | (888,993) |
| Net OPEB liability | (41,524) | (40,866) |
| Net cash provided (used) by operating activities | \$1,238,707 | \$1,026,820 |

See accompanying notes to financial statements

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NOTES TO BASIC FINANCIAL STATEMENTS

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Rio Linda/Elverta Community Water District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. In addition, the District applies Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District was formed on November 9, 1948, and provided water and sewer services. Sewer services were transferred to Sacramento County in 1976. The District no longer provides sewer service. The District currently provides domestic water service and fire flows to approximately 4,643 metered accounts, including procurement, quality, and distribution. The District is governed by a Board of Directors consisting of five directors elected by residents of the District.

B. Basis of Presentation – Fund Accounting

The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, net of related debt, amounts restricted, and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Earned but unbilled water services are accrued as revenue.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

C. *Basis of Accounting (Continued)*

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principle operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

D. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held include bank deposits, Local Agency Investment Fund (LAIF), an investment pool managed by the State of California, and money market mutual funds.

F. *Restricted Assets*

Certain proceeds of the District’s long-term debt are classified as restricted investments on the balance sheet because their use is limited by applicable debt covenants and ordinances. In addition, proceeds from the surcharge levied on customer accounts are restricted for capital improvements. Certain other amounts received by the District are restricted for other purposes.

G. *Investments*

Investments are stated at their fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool.

H. *Inventory*

Inventory consists primarily of materials used in the construction and maintenance of the water distribution facilities and is valued on a first-in, first-out basis.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)*****I. Capital Assets***

Capital assets are recorded at historical cost. Donated assets are valued at acquisition value on the date received. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction. Depreciation is calculated using the straight-line method over estimated useful lives of 8 to 60 years for transmission and distribution, and 3 to 50 years for general plant assets. Maintenance and repairs are charged to operations when incurred. It is the District's policy to capitalize all capital assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

J. Accounts Receivable

The District issues water invoices bi-monthly based on meter readings. Delinquent water invoices may have a lien placed on the property. The District does not provide for an allowance for uncollectible accounts due to the lien process.

K. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Unearned Revenues

Unearned revenue represents funds received for future rental income on various cell tower leases.

M. Contributed Facilities

The District receives facilities (hydrant, pipes, valves, etc.), from developers resulting from developers preparing the sites to connect to the District. The District records these items as capital assets and depreciates them over their estimated useful life.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)*****N. Property Taxes***

Property tax revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Sacramento levies, bills, and collects property taxes and special assessments for the District. Under the County’s “Teeter Plan”, the County remits the entire amount levied and handles all delinquencies, retaining interest, and penalties. Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on July 1. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

O. Compensated Absences

The District has a policy whereby employees can accrue up to a maximum of 300 hours of vacation leave. All accrued vacation leave will be paid to the employee on termination of employment. Accumulated unpaid vacation leave is accrued when earned. Employees accrue sick leave, but any remaining balance at termination of employment is not paid out to the employee; thus, the District does not accrue a liability for sick leave.

P. Lease Accounting

A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The District does not currently have any leases that meet the definition under GASB 87.

Q. Prior Year Summarized Comparative Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District’s financial statement for the year ended June 30, 2022 from which the summarized information was derived.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 and 2022, are classified in the accompanying financial statements as follows:

| | 2023 | 2022 |
|--------------------------------------|--------------------|--------------------|
| Cash and cash equivalents | \$1,902,758 | \$1,805,244 |
| Restricted cash and cash equivalents | 5,778,333 | 4,894,831 |
| Total District Cash and Investments | <u>\$7,681,091</u> | <u>\$6,700,075</u> |

Cash and investments as of June 30, 2023 and 2022, consisted of the following:

| | 2023 | 2022 |
|--------------------------------------|--------------------|--------------------|
| Deposits with financial institutions | | |
| Total Cash | <u>\$6,363,353</u> | <u>\$5,785,766</u> |
| Local Agency Investment Fund | 813,182 | 410,813 |
| Held by Bond Trustee: | | |
| Money Market Mutual Fund | 44,108 | 53,937 |
| Negotiable Certificates of Deposit | 135,109 | 259,672 |
| Government Agency Securities | <u>325,339</u> | <u>189,887</u> |
| Total Investments | <u>1,317,738</u> | <u>914,309</u> |
| Total District Cash and Investments | <u>\$7,681,091</u> | <u>\$6,700,075</u> |

A. Investment Policy

California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The list below identifies the investment types that are authorized by the District’s investment policy.

This table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy. During the year ended June 30, 2023, the District’s permissible investments included the following instruments:

- Investment pool authorized under \$50 million Liquid CA Account Statues governed by Government Code Sections 16429.1-16429.4 AKA Local Agency Investment Fund of LAIF.
- California Employers Retiree Benefit Trust (CERBT).
- Money Market Mutual Funds governed by Government Code Sections 53601.6(b).

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made, and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The Water Revenues Refunding Bond agreements contain certain provisions that address interest rate risk and credit risk, but not concentration of credit risk.

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair value of the District’s investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

| Investment Type | 12 Months or less | 13 to 24 Months | 25 to 60 Months | Total |
|------------------------------------|----------------------|--------------------|--------------------|-------------|
| Local Agency Investment Fund | \$813,182 | | | \$813,182 |
| Held by Bond Trustee: | | | | |
| Money Market Mutual Fund | 44,108 | | | 44,108 |
| Negotiable Certificates of Deposit | | \$89,874 | \$45,235 | 135,109 |
| Government Agency Securities | 49,507 | 92,770 | 183,062 | 325,339 |
| Total Investments | \$906,797 | \$182,644 | \$228,297 | \$1,317,738 |

D. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

| Investment Type | Minimum Legal Rating | Total | Ratings as of Year End | |
|------------------------------------|-------------------------|-------------|------------------------|-----------|
| | | | AAA | Not Rated |
| Local Agency Investment Fund | N/A | \$813,182 | | \$813,182 |
| Held by Bond Trustee: | | | | |
| Money Market Mutual Fund | N/A | 44,108 | | 44,108 |
| Negotiable Certificates of Deposit | N/A | 135,109 | | 135,109 |
| Government Agency Securities | A | 325,339 | \$325,339 | |
| Total Investments | | \$1,317,738 | \$325,339 | \$992,399 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 – CASH AND INVESTMENTS (Continued)

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the carrying amount of the District’s deposits were \$6,363,353. Of that balance, \$750,000 was covered and \$5,613,353 was not covered by federal depository insurance. As of June 30, 2023, District investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the District to buy the securities:

| Reported Investment Type | Amount |
|------------------------------------|----------|
| Money Market Mutual Funds | \$44,108 |
| Negotiable Certificates of Deposit | 135,109 |
| Government Agency Securities | 325,339 |

F. Investment in LAIF

LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2023, the average life on investments funds invested by LAIF was 260 days.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

| | Balance at June 30, 2022 | Additions | Deletions | Balance at June 30, 2023 |
|--|-----------------------------|-------------|-----------|-----------------------------|
| Nondepreciable: | | | | |
| Land | \$576,673 | | | \$576,673 |
| Construction in progress | 424,288 | \$448,742 | | 873,030 |
| Total nondepreciable assets | 1,000,961 | 448,742 | | 1,449,703 |
| Depreciable: | | | | |
| Water system facilities | 25,039,860 | 100,170 | | 25,140,030 |
| General plant assets | 685,857 | | (\$472) | 685,385 |
| Intangible assets | 373,043 | 50,000 | (39,960) | 383,083 |
| Total capital assets being depreciated | 26,098,760 | 150,170 | (40,432) | 26,208,498 |
| Less: Accumulated depreciation | | | | |
| Water system facilities | (10,383,905) | (690,472) | 472 | (11,073,905) |
| General plant assets | (450,909) | (41,920) | | (492,829) |
| Intangible assets | (303,327) | (18,169) | 39,960 | (281,536) |
| Total accumulated depreciation | (11,138,141) | (750,561) | 40,432 | (11,848,270) |
| Net capital assets being depreciated | 14,960,619 | (600,391) | | 14,360,228 |
| Total capital assets | \$15,961,580 | (\$151,649) | | \$15,809,931 |

Capital asset activity for the year ended June 30, 2022, was as follows:

| | Balance at June 30, 2021 | Additions | Deletions | Balance at June 30, 2022 |
|--|-----------------------------|-------------|------------|-----------------------------|
| Nondepreciable: | | | | |
| Land | \$576,673 | | | \$576,673 |
| Construction in progress | 424,288 | | | 424,288 |
| Total nondepreciable assets | 1,000,961 | | | 1,000,961 |
| Depreciable: | | | | |
| Water system facilities | 24,938,802 | \$101,058 | | 25,039,860 |
| General plant assets | 661,465 | 113,321 | (\$88,929) | 685,857 |
| Intangible assets | 373,043 | | | 373,043 |
| Total capital assets being depreciated | 25,973,310 | 214,379 | (88,929) | 26,098,760 |
| Less: Accumulated depreciation | | | | |
| Water system facilities | (9,680,913) | (702,992) | | (10,383,905) |
| General plant assets | (497,151) | (42,687) | 88,929 | (450,909) |
| Intangible assets | (294,610) | (8,717) | | (303,327) |
| Total accumulated depreciation | (10,472,674) | (754,396) | 88,929 | (11,138,141) |
| Net capital assets being depreciated | 15,500,636 | (540,017) | | 14,960,619 |
| Business-type activities capital assets, net | \$16,501,597 | (\$540,017) | | \$15,961,580 |

Depreciation expense in the amount of \$750,561 and \$754,396 was recorded for the years ended June 30, 2023 and 2022, respectively, and is included with depreciation expense on the Statement of Revenues, Expenses, and Changes in Net Position.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**NOTE 4 – LONG-TERM LIABILITIES**

Safe Drinking Water State Revolving Fund Loan – Direct Borrowing: On June 30, 2011, the District finalized the Safe Drinking Water Loan funding agreement in the amount of \$7,499,045 at an interest rate of 2.57% to be paid over 20 years. The loan proceeds will assist the District in complying with the State safe drinking water standards. The project was completed in June 2015, and the actual borrowed by the District was only \$7,179,073. Semi-annual loan payments of \$230,677 are due on January 1 and July 1, through July 1, 2035. As of June 30, 2023, the District's loan balance was \$2,902,303.

2015 Water Revenue Refunding Bonds – Direct Borrowing: On April 1, 2015, the District entered into a loan agreement with Umpqua Bank to issue Series 2015 Water Revenue Refunding Bonds at an interest rate of 3.61%, the proceeds of which were used to provide financing for the refunding and defeasance of the District's 2003 Water Revenue Refunding Bonds. These 2003 Bonds were issued to refund debt used to finance certain capital improvements to the District's water system. Semi-annual principal payments, ranging from \$48,776 to \$136,000, and semi-annual interest payments, ranging from \$1,210 to \$40,642, are due on May 1 and November 1, through November 1, 2031. As of June 30, 2023, the District's loan balance was \$1,506,424.

Water Meter Replacement Loan – Direct Borrowing: In July 2015, the District entered into an installment purchase agreement with Holman Capital Corporation for \$499,835 at an interest rate of 3.10% to be paid over 10 years. The agreement is for the acquisition and installation of 813 meters and solar-powered data collectors that will electronically connect to the existing automatic meter reading system, and installation of a dashboard system that will provide water data analytics to detect leaks, high water users, and overall system performance. Semi-annual loan payments of \$29,257 are due on January 23 and July 23, through July 23, 2025. As of June 30, 2023, the District's loan balance was \$139,471.

Installment Sale Agreement – Direct Borrowing: On March 1, 2018, the District entered into an installment sale agreement with Pacific Premier Bank, formerly Opus Bank, for \$3,870,000 at an interest rate of 3.28%. Proceeds from the agreement are for the construction of Well 16 and future wellhead treatment. Semi-annual principal payments, ranging from \$110,000 to \$155,000, and semi-annual interest payments, ranging from \$2,706 to \$49,201, are due on April 1 and October 1, through April 1, 2032. As of June 30, 2023, the District's loan balance was \$2,325,040.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 4 – LONG-TERM LIABILITIES (Continued)

The activity of the District’s long-term liabilities during the year ended June 30, 2023, was as follows:

| | Balance June 30, 2022 | Additions | Retirements | Balance June 30, 2023 | Amount due within one year |
|--------------------------------------|--------------------------|------------------|-------------------|--------------------------|----------------------------------|
| State Safe Drinking Water Loan | \$3,282,681 | | (\$380,378) | \$2,902,303 | \$193,360 |
| 2015 Water Revenue Refunding Bond | 1,658,697 | | (152,273) | 1,506,424 | 156,908 |
| Water Meter Replacement Loan | 193,072 | | (53,331) | 139,741 | 54,602 |
| Pacific Premier Bank Loan | 2,555,040 | | (230,000) | 2,325,040 | 240,000 |
| Total bonds and loans payable | 7,689,490 | | (815,982) | 6,873,508 | 644,870 |
| Compensated Absences | 57,002 | \$50,850 | (42,169) | 65,683 | 65,683 |
| Net Pension Liability | 4,903 | 819,121 | | 824,024 | |
| Other Post-Employment Benefits | 66,836 | | (29,354) | 37,482 | |
| Total long-term debt, net | \$7,818,231 | \$869,971 | (\$71,523) | \$7,800,697 | \$710,553 |

The activity of the District’s long-term liabilities during the year ended June 30, 2022, was as follows:

| | Balance June 30, 2021 | Additions | Retirements | Balance June 30, 2022 | Amount due within one year |
|--------------------------------------|--------------------------|-----------------|----------------------|--------------------------|----------------------------------|
| State Safe Drinking Water Loan | \$3,652,514 | | (\$369,833) | \$3,282,681 | \$188,483 |
| 2015 Water Revenue Refunding Bond | 1,806,855 | | (148,158) | 1,658,697 | 152,273 |
| Water Meter Replacement Loan | 244,416 | | (51,344) | 193,072 | 52,949 |
| Pacific Premier Bank Loan | 2,780,040 | | (225,000) | 2,555,040 | 230,000 |
| Total bonds and loans payable | 8,483,825 | | (794,335) | 7,689,490 | 623,705 |
| Compensated Absences | 53,469 | \$47,716 | (44,183) | 57,002 | 57,002 |
| Net Pension Liability | 1,117,944 | | (1,113,041) | 4,903 | |
| Other Post-Employment Benefits | 81,433 | | (14,597) | 66,836 | |
| Total long-term debt, net | \$9,736,671 | \$47,716 | (\$1,171,821) | 7,818,231 | \$680,707 |

The annual requirements to amortize the outstanding debt as of June 30, 2023 are as follows:

| For the Year Ending June 30 | Principal | Interest | Total |
|--------------------------------|--------------------|------------------|--------------------|
| 2024 | \$840,715 | \$194,443 | \$1,035,158 |
| 2025 | 867,999 | 169,968 | 1,037,967 |
| 2026 | 862,672 | 144,705 | 1,007,377 |
| 2027 | 858,811 | 120,184 | 978,995 |
| 2028 | 885,500 | 95,305 | 980,805 |
| 2029 - 2033 | 2,557,811 | 136,821 | 2,694,632 |
| Totals | \$6,873,508 | \$861,426 | \$7,734,934 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**NOTE 4 – LONG-TERM LIABILITIES (Continued)**

Pledged Revenue: The District pledged future water system revenues, net of specified expenses, to repay the 2015 Water Revenue Refunding Bonds in the original amount of \$2,688,622. Proceeds of the refunded bonds funded the acquisition and construction of certain facilities, as indicated above. The Bonds are payable solely from water customer net revenues and are payable through November 2031. Annual principal and interest payments on the Bonds are expected to require less than 80% of net revenues. Total principal and interest remaining to be paid on the Bonds was \$1,717,838 and \$1,918,760 254 at June 30, 2023 and 2022, respectively.

The District pledged surcharge fee revenues, to repay the 2011 State Safe Drinking Water Loan in the amount up to \$7,299,045. Annual principal and interest payments on the Loan are expected to be fully recovered by the surcharge fees from customers. Total principal and interest paid on the loan from surcharge fees was \$462,343 and \$461,367 for the years ended June 30, 2023 and 2022, respectively. The total surcharge fee revenues were \$428,927 and \$526,912 for the years ended June 30, 2023 and 2022, respectively. The District is required to maintain net revenues at least 1.2 times total annual debt service. The District's surcharge revenues exceeded this requirement at June 30, 2023 and 2022. Total principal and interest remaining to be paid on the Bonds was \$3,186,934 and \$3,649,277 at June 30, 2023 and 2022, respectively.

The District pledged surcharge fee revenues, to repay the installment sale agreement with Pacific Premier Bank in the amount up to \$4,094,662. Annual principal and interest payments on the Loan are expected to be fully recovered by the surcharge fees from customers. Total principal and interest paid on the loan from surcharge fees was \$311,920 and \$314,382 for the years ended June 30, 2023 and 2022, respectively. The total surcharge fee revenues were \$439,756 and \$438,161 for the years ended June 30, 2023 and 2022, respectively. The District is required to maintain net revenues at least 1.25 times total annual debt service. The District's surcharge revenues exceeded this requirement at June 30, 2023 and 2022. Total principal and interest remaining to be paid on the Bonds was \$2,684,259 and \$2,996,179 at June 30, 2023 and 2022, respectively.

Arbitrage Rebate Liability: Section 148(f) of the Internal Revenue Code requires issuers of tax-exempt state and local bonds to remit to the federal government amounts equal to (a) the excess of the actual amounts earned on all "Non-Purpose Investments" allocable to "Gross Proceeds" of an issue of municipal obligations less the amount that would have been earned if the investments bore a rate equal to the amount that would have been earned if the investments bore a rate equal to the yield on the issue, plus (b) all income attributable to the excess. Issuers must make rebate payments at least once every five years and upon final retirement or redemption of the bonds. There was no arbitrage liability at June 30, 2023 and 2022.

NOTE 5 – UNEARNED REVENUE

In August 2014, the District assigned the right to receive rental income on various cell tower leases for a period of 20 years to Wireless Capital Partners, LLC, in exchange for \$985,101 of cash. The District is also entitled to receive 50% of any rental increases after the expiration of the current leases. The District will recognize the revenue from this agreement over a period of 20 years, or \$49,255 annually. The balance of unearned revenue at June 30, 2023, was \$49,255.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 6 – NET POSITION

Restrictions: Restricted net position consist of constraints placed on net position use through external requirements imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or constraints by law through constitutional provisions or enabling legislation. Restricted net position consisted of the following at June 30:

| | 2023 | 2022 |
|--|------------------|------------------|
| Debt service reserve on 2015 Water Revenue Refunding Bonds | \$243,871 | \$243,871 |
| Debt service reserve on State Loan | 461,355 | 461,355 |
| Total Investments | <u>\$705,226</u> | <u>\$705,226</u> |

The restrictions for debt service represent debt service and other reserves required by the related debt covenants. The restriction for State Loan repayment represents surcharges collected under Ordinance No. 2009-03 passed by the Board in May 2009 to fund projects to comply with a State of California Department of Public Health Compliance Order and to repay the State Loan per the loan agreement.

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Plan Description – The District contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public employers within the State of California. PERS require agencies with less than 100 active members in the plan to participate in the risk pool. All full and part-time District employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times the monthly average salary of their highest twelve consecutive months, full-time equivalent, monthly pay. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees’ Retirement Law. The Plan selects optional benefit provisions from the benefit menu by a contract with PERS and adopts those benefits through District resolution. PERS issues a separate annual comprehensive financial report. Copies of the PERS’ annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy – The District has two tiers of participants, classic and PEPRA. Active classic plan members were required to contribute 7% of their annual covered salary. Starting in December 2011, the District contributed 3.5% on behalf of the employees. Active PEPRA plan members are required pay all of their employee share currently at 6.75%. The District is required to contribute at an actuarially determined rate. The required employer contribution rate for the classic plan for fiscal year 2022/2023 and 2021/2022 was 10.32%. The required employer contribution rate for the PEPRA plan for fiscal year 2022/2023 and 2021/2022 was 7.47%. The contribution requirements of the plan members and the District are established and may be amended by PERS. The District’s contributions for the years June 30, 2023 and 2022, were \$123,604 and \$109,967, respectively, which were equal to the required contributions each year.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

At June 30, 2023, the District reported a liability of \$824,024 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long- term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

The Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

| | Miscellaneous | |
|---|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | | |
| Benefit formula | 2% at 55 | 2% at 62 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50-55 | 52-67 |
| Monthly benefits, as a % of eligible compensation | 1.426% - 2.418% | 1.000% - 2.50% |
| Required employee contribution rates | 7.00% | 6.75% |
| Required employer contribution rates | 10.32% | 7.47% |

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates from all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements are classified as plan member contributions.

For the year ended June 30, 2023, the District’s total contributions to the plan were \$123,604

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/reductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported as fair value.

As of June 30, 2023, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

| | Proportionate Share of Net Pension Liability |
|---------------|---|
| Miscellaneous | \$824,024 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District’s proportionate share of the net pension liability for the Plan as of the June 30, 2021 and 2022 was as follows:

| | |
|------------------------------|----------------|
| | Miscellaneous |
| Proportion - June 30, 2021 | 0.0003% |
| Proportion - June 30, 2022 | <u>0.0176%</u> |
| Change - Increase (Decrease) | 0.0173% |

At June 30, 2023, the District recognized pension expense of \$285,363 as of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$123,604 | |
| Differences between expected and actual experience | 16,548 | (\$11,083) |
| Changes of assumptions | 84,438 | |
| Changes in employer's proportion | 520,743 | |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 201,185 | (86,833) |
| Net difference between projected and actual earnings on pension plan investments | <u>150,939</u> | |
| Total | <u>\$1,097,457</u> | <u>(\$97,916)</u> |

\$123,604 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2024 | \$347,755 |
| 2025 | 297,970 |
| 2026 | 137,894 |
| 2027 | 92,318 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

| | Miscellaneous |
|-----------------------------------|--|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.90% |
| Inflation | 2.30% |
| Payroll Growth | 3.00% |
| Projected Salary Increases | Varies by Entry-Age and Service |
| Investment Rate of Return | 6.90% |
| Mortality Rate Table ¹ | Derived using CalPERS Membership Data for all Funds |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter |

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more detail on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions Report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the plan was 6.90%. The projections of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted for assumed administrative expenses of 10 basis points.

The expected real rates of return by asset class are as follows

| Asset Class (a) | New Strategic Allocation | Real Return (a,b) |
|----------------------------------|--------------------------------|----------------------|
| Global Equity - Cap-weighted | 30.0% | 4.54% |
| Global Equity - Non-Cap-weighted | 12.0% | 3.84% |
| Private Equity | 13.0% | 7.28% |
| Treasury | 5.0% | 0.27% |
| Mortgage-backed Securities | 5.0% | 0.50% |
| Investment Grade Corporates | 10.0% | 1.56% |
| High Yield | 5.0% | 2.27% |
| Emerging Market Debt | 5.0% | 2.48% |
| Private Debt | 5.0% | 3.57% |
| Real Assets | 15.0% | 3.21% |
| Leverage | -5.0% | -0.59% |
| Total | 100% | |

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Changes of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes to the Discount Rate – The following presents what the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Miscellaneous</u> |
|-----------------------|----------------------|
| 1% Decrease | 5.90% |
| Net Pension Liability | \$1,538,067 |
| | |
| Current Discount Rate | 6.90% |
| Net Pension Liability | \$824,024 |
| | |
| 1% Increase | 7.90% |
| Net Pension Liability | \$236,544 |

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial Reports.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

| | |
|--------------------|------------------------------|
| Valuation date | July 1, 2022 |
| Measurement date | June 30, 2023 |
| Measurement period | July 1, 2022 - June 30, 2023 |

A. Plan Description

The District provides funding in varying amounts to eligible retirees to assist eligible retirees with their cost of maintaining healthcare insurance through a cost sharing plan. The District’s retiree healthcare benefit is not subject to the Public Employees’ Medical & Hospital Care Act (PEMHCA) and the plan does not issue a stand-alone financial report. Retiree health benefits are secured through outside providers and premiums are reimbursed by the District according to the rules and to the extent described below. Because retirees do not remain on the District’s group health plans, there is no implicit rate subsidy.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY (Continued)

A. Plan Description (Continued)

Retiree health benefits vary by tier, which is based on date of hire, as follows:

Tier 1: Hired prior to January 1, 2003: Eligible for District-paid retiree health benefits after the later of age 50 and 5 years of service. Coverage will be for retiree and one eligible dependent, up to \$600/month for retiree and \$800/month for retiree plus one coverage.

Tier 2: Hired on or after January 1, 2003 but prior to May 1, 2004: Eligible employees who have attained the age of fifty (50) and have at least 10 years of service with the District earn a benefit in retirement. The District contributes a percentage of the premium for retiree and one eligible dependent, up to a maximum of \$600/month for retiree and \$800/month for retiree plus one coverage, based on years of service at retirement, as follows:

| Years of Service | District Share | Retiree Share |
|------------------|--------------------|---------------|
| 0-9.9 | 0% (\$0/\$0) | 100% |
| 10 | 50% (\$300/\$400) | 50% |
| 11 | 55% (\$330/\$440) | 45% |
| 12 | 60% (\$360/\$480) | 40% |
| 13 | 65% (\$390/\$520) | 35% |
| 14 | 70% (\$420/\$560) | 30% |
| 15 | 75% (\$450/\$600) | 25% |
| 16 | 80% (\$480/\$640) | 20% |
| 17 | 85% (\$510/\$680) | 15% |
| 18 | 90% (\$540/\$720) | 10% |
| 19 | 95% (\$570/\$760) | 5% |
| 20+ | 100% (\$600/\$800) | 0% |

Tier 3: Hired on or after May 1, 2004 and before January 1, 2013: Eligible for District-paid benefits after the later of age 50 and 5 years of service. Benefit of \$300/month for the retiree only.

Tier 4: Hired on or after January 1, 2013: Eligible for District-paid benefits after the later of age 62 and 20 years of service. Benefits limited to \$300/month for the retiree only.

Benefits for all tiers end at eligibility for Medicare (age 65). Benefits are reduced for employees working less than full-time for the 3-year period before retirement.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY (Continued)

A. Plan Description (Continued)

One retired General Manager is receiving District-paid benefits of \$300/month until age 65. One retired Manager is receiving District-paid lifetime benefits, under a special contract, not to exceed \$1,050/month for retiree and spouse coverage. Current Board members will not be entitled to District-paid retiree health benefits upon retirement.

Current Board members and the General Manager will not be entitled to District-paid retiree health benefits upon retirement.

Plan membership as of July 1, 2022 consisted of the following:

| | |
|--|------------------|
| Active employees | 9 |
| Inactive employees or beneficiaries currently receiving benefit payments | 2 |
| Inactive employees entitled to but not yet receiving benefit payments | <u>0</u> |
| Total | <u><u>11</u></u> |

Contributions: The contribution requirements of Plan members and the District are established and amended by the District. Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Contributions made on behalf of the plan members for the year ended June 30, 2023 were \$35,525.

Net OPEB Liability: The District’s net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY (Continued)

Actuarial Assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | Actuarial Assumptions |
|---------------------------|---|
| Valuation Date | July 1, 2021 |
| Measurement Date | June 30, 2023 |
| Measurement Period | July 1, 2022 to June 30, 2023 |
| Actuarial Assumptions: | |
| Asset Valuation Method | Market value of assets |
| Discount Rate | 5.75% |
| Inflation | 3.00% annually |
| Salary Increases | 3.00% per year |
| Investment Rate of Return | 5.75% net of OPEB plan investment expense |
| Mortality Rate | Pre-retirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study. Post-retirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study. |
| Healthcare Trend Rate | 5.50% for 2023, 5.20% for 2024 -2069 and 4.50% for 2070 and later years; Medicare ages: 4.5 % for all years |

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2022 to June 30, 2023.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

| Asset Class | Assumed Asset Allocation | Rate of Return |
|-----------------------------------|-----------------------------|----------------|
| Global Equity | 34.0% | 4.80% |
| Fixed Income | 41.0% | 1.80% |
| Treasury Inflation Protected Secu | 5.0% | 1.60% |
| Real Estate | 17.0% | 3.70% |
| Commodities | 3.0% | 1.90% |
| Total | 100.0% | |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY (Continued)

Discount rate: GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s Total OPEB liability is based on these requirements and the following information:

| Reporting Date | Measurement Date | Long-Term Expected Rate of Plan Investments | Fidelity GO AA 20 Years Municipal Index | Discount Rate |
|----------------|------------------|---|---|---------------|
| June 30, 2022 | June 30, 2022 | 5.75% | 3.69% | 5.75% |
| June 30, 2023 | June 30, 2023 | 5.75% | 3.86% | 5.75% |

B. Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2023 for the District.

| | Increase (Decrease) | | |
|--|--------------------------|---------------------------------|--------------------------------------|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (a) - (b) |
| Balance at June 30, 2022 (June 30, 2022 Measurement Date) | \$144,990 | \$78,154 | \$66,836 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 972 | | 972 |
| Interest on the total OPEB liability | 7,953 | | 7,953 |
| Changes in benefit terms | | | |
| Differences between expected and actual experience | | | |
| Changes of assumptions | | | |
| Contributions from the employer | | 35,525 | (35,525) |
| Other income - adjustment | | | |
| Net investment income | | 2,822 | (2,822) |
| Benefit payments | (15,525) | (15,525) | |
| Trustee fees | | (29) | 29 |
| Administrative expenses | | (39) | 39 |
| Net changes | (6,600) | 22,754 | (29,354) |
| Balance at June 30, 2023 (June 30, 2023 Measurement Date) | \$138,390 | \$100,908 | \$37,482 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY (Continued)

C. Sensitivity of the District’s Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (4.75 percent) or 1- percentage-point higher (6.75 percent) than the current discount rate:

| Net OPEB Liability/(Asset) | | |
|----------------------------|---------------|-------------------|
| Discount Rate -1% | Discount Rate | Discount Rate +1% |
| 4.75% | 5.75% | 6.75% |
| \$45,063 | \$37,482 | \$30,497 |

D. Sensitivity of the District’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.90 percent decreasing to 4.00 percent) or 1- percentage-point higher (6.90 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

| Net OPEB Liability/(Asset) | | |
|----------------------------|---------------|-------------|
| Healthcare Trend Rate | | |
| 1% Decrease | Current Trend | 1% Increase |
| \$35,305 | \$37,482 | \$39,042 |

E. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District’s deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between actual and expected experience | | (\$29,968) |
| Changes of assumptions | \$1,635 | (14,203) |
| Net differences between projected and actual earnings on plan investments | 6,955 | - |
| Total | \$8,590 | (\$44,171) |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY (Continued)

F. Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|--------------------------|
| 2024 | (\$10,129) |
| 2025 | (8,753) |
| 2026 | (6,459) |
| 2027 | (7,313) |
| 2028 | (2,927) |
| Thereafter | - |
| Total | <u><u>(\$35,581)</u></u> |

G. Net OPEB Expense

For the year ended June 30, 2023, the District’s OPEB expense was (\$5,999). Detail of the expense is shown below:

| | |
|---|-------------------------|
| Service Cost | \$972 |
| Interest Cost | 7,953 |
| Expected return on assets | (4,527) |
| Administrative expense | 39 |
| Recognition of deferred outflows and inflows: | |
| Differences between expected and actual experience | (6,810) |
| Changes of assumptions | (5,290) |
| Differences between projected and actual investment | <u>1,664</u> |
| Total recognition of deferred outflows and inflows | <u>(10,436)</u> |
| Net OPEB expense | <u><u>(\$5,999)</u></u> |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 9 – INSURANCE

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA), a public entity risk pool of California water agencies, for general and auto liability, public official’s liability, employment practices liability, property damage and fidelity insurance. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which the group purchases commercial excess insurance.

The District pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The District’s deductibles and maximum coverage are as follows:

| Type of Coverage | ACWA/JPIA Self- Insured Retention | Re-Insurance/ Excess Commercial Insurance | Deductible |
|-------------------------------------|--------------------------------------|---|------------------------|
| Liability – General, Auto, & Public | | \$5,000,000 - | |
| Officials Errors & Omissions | \$5,000,000 | 55,000,000 | None |
| Property Program | 10,000,000 | 2,500,000 - 500,000,000 | \$1,000 - \$100,000 |
| Crime Program | 100,000 | N/A | 1,000 |

The District continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the District is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 Cost-Sharing Multiple-Employer Defined Pension Plan
 Last 10 Years*
 SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY AND RELATED RATIOS AS OF
 THE MEASUREMENT DATE

| Measurement Date | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 | 6/30/2020 | 6/30/2021 | 6/30/2022 |
|--|-----------|-----------|-----------|-------------|-----------|-------------|-------------|-----------|-----------|
| Plan's proportion of the Net Pension Liability (Asset) | 0.0283% | 0.0283% | 0.0249% | 0.0260% | 0.0262% | 0.0264% | 0.0265% | 0.0003% | 0.0176% |
| Plan's proportion share of the Net Pension Liability (Asset) | \$611,042 | \$611,042 | \$902,961 | \$1,033,555 | \$987,630 | \$1,055,771 | \$1,117,944 | \$4,903 | \$824,024 |
| Plan's Covered Payroll | 377,098 | 377,098 | 516,107 | 523,983 | 605,031 | 567,137 | 634,435 | 667,672 | 664,160 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 162.04% | 162.04% | 174.96% | 197.25% | 163.24% | 186.16% | 176.21% | 0.73% | 124.07% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 78.76% | 78.76% | 81.32% | 75.87% | 77.02% | 75.81% | 77.71% | 99.90% | 84.27% |

Change in assumption - In 2017, the accounting discount rate was decreased from 7.65% to 7.15%.

*- Fiscal year 2015 was the 1st year of implementation.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
 Cost-Sharing Multiple Employer Defined Pension Plan
 Last 10 Years*
 SCHEDULE OF CONTRIBUTIONS

| Fiscal Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-----------|-----------|
| Actuarially determined contribution | \$70,003 | \$70,003 | \$95,128 | \$118,924 | \$126,796 | \$137,446 | \$131,713 | \$109,967 | \$123,604 |
| Contributions in relation to the actuarially determined contributions | 70,003 | 70,003 | 95,128 | 118,924 | 126,796 | 137,446 | 631,713 | 109,967 | 123,604 |
| Contribution deficiency (excess) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$500,000) | \$0 | \$0 |
| Covered payroll | \$377,098 | \$516,107 | \$523,983 | \$605,031 | \$567,137 | \$634,435 | \$667,672 | \$664,160 | \$692,136 |
| Contributions as a percentage of covered payroll | 18.56% | 13.56% | 18.15% | 19.66% | 22.36% | 21.66% | 94.61% | 16.56% | 17.86% |

*Fiscal year 2015 was the 1st year of implementation.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 Schedule of Changes in the District's Net OPEB Liability and Related Ratios
 For the measurement year ending June 30
 Last 10 fiscal years*

| Measurement Date - June 30, | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Total OPEB Liability | | | | | | |
| Service Cost | \$1,739 | \$1,649 | \$1,179 | \$1,213 | \$944 | \$972 |
| Interest | 8,526 | 9,099 | 8,856 | 8,493 | 8,281 | 7,953 |
| Plan contributions | (21,017) | (22,178) | (16,563) | (16,200) | | (15,525) |
| Investment earnings | | | | | (128) | |
| Administrative and trustee expenses | | | | | 2,315 | |
| Difference between expected and actual experiences | | | (57,042) | | | |
| Changes in assumptions | (9,723) | (22,885) | (9,986) | | (14,406) | |
| Net change in total OPEB liability | (20,475) | (34,315) | (73,556) | (6,494) | (2,994) | (6,600) |
| Total OPEB liability - beginning | 282,824 | 262,349 | 228,034 | 154,478 | 147,984 | 144,990 |
| Total OPEB liability - ending (a) | \$262,349 | \$228,034 | \$154,478 | \$147,984 | \$144,990 | \$138,390 |
| Plan fiduciary net position | | | | | | |
| Contributions - employer | \$16,200 | \$38,534 | \$36,563 | \$36,200 | \$35,405 | \$35,525 |
| Contributions - employee | | | | | | |
| Net investment income | | 105 | 2,324 | 7,803 | (9,339) | 2,822 |
| Benefit payments | (16,200) | (22,178) | (16,563) | (16,200) | (14,406) | (15,525) |
| Administrative expenses | | | | (22) | (33) | (39) |
| Other expenses | | | | (15) | (24) | (29) |
| Net change in plan fiduciary net position | | 16,461 | 22,324 | 27,766 | 11,603 | 22,754 |
| Plan fiduciary net position - beginning | | | 16,461 | 38,785 | 66,551 | 78,154 |
| Plan fiduciary net position - ending (b) | | \$16,461 | \$38,785 | \$66,551 | \$78,154 | \$100,908 |
| Net OPEB liability - ending (a)-(b) | \$262,349 | \$211,573 | \$115,693 | \$81,433 | \$66,836 | \$37,482 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0% | 7% | 25% | 45% | 54% | 73% |
| Covered-employee payroll | \$604,181 | \$668,161 | \$703,736 | \$724,458 | \$768,054 | \$768,190 |
| Net OPEB liability as a percentage of covered-employee payroll | 43.42% | 31.66% | 16.44% | 11.24% | 8.70% | 4.88% |

Note to Schedule: * Fiscal year 2018 was the first year of implementation.

SCHEDULE OF CONTRIBUTIONS

CERBT Agent Multiple-Employer Plan

Last 10 fiscal years*

| Fiscal Year Ended June 30, | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------|------------|------------|------------|------------|------------|
| Contributions in relation to the actuarially determined contribution | \$16,200 | \$38,534 | \$36,563 | \$36,200 | \$35,405 | \$35,525 |
| Actuarially determined contribution | 16,200 | 8,088 | 8,521 | 8,776 | 5,064 | 5,216 |
| Contribution deficiency (excess) | | (\$30,446) | (\$28,042) | (\$27,424) | (\$30,341) | (\$30,309) |
| Covered-employee payroll | \$604,181 | \$668,161 | \$703,736 | \$724,458 | \$768,054 | \$768,190 |
| Contributions as a percentage of covered-employee payroll | 2.68% | 1.21% | 1.21% | 1.21% | 0.66% | 0.68% |

Note to Schedule: * Fiscal year 2018 was the first year of implementation.

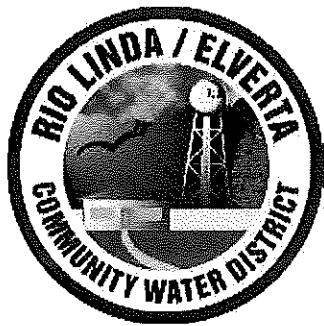
Methods and assumptions used to determine contribution rates:

Valuation date: 7/1/2021

Actuarial Assumptions:

| | |
|-----------------------------|---|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Pay |
| Amortization period | 20 Years remain |
| Asset valuation method | Market value |
| Inflation | 3.00% |
| Salary increases | 3.00% |
| Investment rate of return | 5.75% |
| Healthcare cost trend rates | 5.50% for 2023, 5.20% for 2024, and 4.50% for 2070 and later years; Medicare ages: 4.50% for all years |
| Mortality | Preretirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study. |
| Mortality improvement | Post-retirement Mortality Rates for Public Agency Miscellaneous from 2021 CalPERS Experience Study. |

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STATISTICAL SECTION

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**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
STATISTICAL SECTION (Unaudited)**

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Contents

This part of the Rio Linda/Elverta Community Water District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the government's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the district's most significant local revenue source.

Debt Capacity – These schedules present information to help the reader assess the affordability of the district's current level of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within the district's financial activities that take place and to help make comparisons over time.

Operating Information – These schedules contain information about the district's operation and resources to help the reader understand how the district's financial information relates to the services the district provides and the activities it performs.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Schedule of Net Position by Component
(Accrual Basis of Accounting)
Last Ten Years

| Net Position: | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Investment in Capital Assets | \$4,964,131 | \$4,418,605 | \$6,292,818 | \$6,698,923 | \$7,519,910 | \$7,681,068 | \$8,842,880 | \$8,593,770 | \$8,829,942 | \$9,494,326 |
| Restricted | 1,949,873 | 2,146,937 | 699,145 | 699,787 | 699,787 | 702,233 | 705,226 | 705,226 | 705,226 | 705,226 |
| Unrestricted | -233,673 | 540,312 | 705,527 | 819,662 | 642,616 | 1,674,622 | 2,121,930 | 3,535,046 | 5,588,374 | 6,140,309 |
| Total Net Position | <u>\$6,680,331</u> | <u>\$7,105,854</u> | <u>\$7,697,490</u> | <u>\$8,218,372</u> | <u>\$8,862,313</u> | <u>\$10,057,923</u> | <u>\$11,670,036</u> | <u>\$12,834,042</u> | <u>\$15,123,542</u> | <u>\$16,339,861</u> |

* Unrestricted for 2013 and 2014 have been changed from the previous reported.

RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
Schedule of Change in Net Position
(Accrual Basis of Accounting)
Last Ten Years

| | 2014 (Restated) | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| OPERATING REVENUE | | | | | | | | | | |
| Water Sales | \$ 2,318,307 | \$ 2,308,047 | \$ 2,173,094 | \$ 2,289,627 | \$ 2,459,949 | \$ 2,560,294 | \$ 2,665,072 | \$ 2,748,710 | \$ 2,832,861 | \$ 2,931,440 |
| Account Service Charges | 108,628 | 102,983 | 95,530 | 102,660 | 102,010 | 100,494 | 105,426 | 95,667 | 109,735 | 79,296 |
| Other Water Service Fees | 8,153 | 17,467 | 31,735 | 45,202 | 35,393 | 56,430 | 29,613 | 27,861 | 36,015 | 27,068 |
| Total Operating Revenues | 2,435,088 | 2,428,497 | 2,300,359 | 2,437,489 | 2,637,352 | 2,717,218 | 2,800,111 | 2,872,238 | 2,978,611 | 3,037,804 |
| OPERATING EXPENSES | | | | | | | | | | |
| Personnel Services | 740,854 | 762,133 | 733,073 | 986,515 | 1,061,163 | 1,065,785 | 1,228,884 | 1,191,017 | 220,703 | 1,457,145 |
| Professional Services | 187,460 | 146,459 | 138,340 | 175,449 | 177,479 | 149,693 | 102,556 | 112,714 | 87,992 | 110,585 |
| Field Operations | | | | | | | | | | |
| Transmission & Distribution | 19,377 | 77,694 | 67,778 | 101,896 | 96,154 | 128,878 | 162,156 | 88,520 | 45,038 | 128,601 |
| Pumping | 190,788 | 174,093 | 198,706 | 192,760 | 187,256 | 197,723 | 227,899 | 259,040 | 240,800 | 228,008 |
| Transportation | 22,964 | 18,112 | 15,484 | 14,869 | 16,660 | 17,144 | 15,334 | 12,898 | 15,997 | 20,293 |
| Treatment | 12,923 | 13,005 | 14,562 | 16,579 | 17,487 | 16,779 | 22,269 | 22,238 | 22,943 | 31,244 |
| Other | 37,637 | 52,491 | 60,127 | 42,038 | 61,815 | 61,895 | 64,597 | 85,065 | 52,962 | 52,484 |
| Conservation | 10,041 | 11,549 | 14,545 | 11,544 | 5,946 | 5,844 | - | - | - | - |
| Administrative Expenses | 189,048 | 235,369 | 218,905 | 228,942 | 230,626 | 236,116 | 207,356 | 202,119 | 213,456 | 243,925 |
| Depreciation and Amortization | 1,456,071 | 978,027 | 609,090 | 624,455 | 654,174 | 637,022 | 636,432 | 622,225 | 754,396 | 750,561 |
| Total Operating Expenses | 2,867,163 | 2,468,932 | 2,070,610 | 2,395,047 | 2,508,760 | 2,516,879 | 2,667,483 | 2,595,836 | 1,654,287 | 3,022,846 |
| Operating Income (Loss) | (432,075) | (40,435) | 229,749 | 42,442 | 128,592 | 200,339 | 132,628 | 276,402 | 1,324,324 | 14,958 |
| NON-OPERATING INCOME (EXPENSES) | | | | | | | | | | |
| Surcharge | 523,538 | 565,286 | 481,329 | 729,739 | 743,152 | 949,903 | 962,068 | 963,729 | 965,073 | 968,683 |
| Interest Income | 5,628 | 7,577 | 14,513 | 3,935 | 3,703 | 16,113 | 39,129 | 8,204 | (16,757) | 22,079 |
| Miscellaneous Income | 259 | - | - | - | - | - | - | - | - | - |
| Property Taxes | 67,410 | 78,620 | 45,454 | 75,951 | 81,653 | 87,964 | 95,164 | 103,904 | 109,104 | 118,217 |
| Rental Income | 80,299 | 58,405 | 49,255 | 49,255 | 49,255 | 49,255 | 49,255 | 49,255 | 49,255 | 49,255 |
| Gain (Loss) on Sale of Assets | - | 6,855 | (45,899) | (14,048) | (26,050) | 2,885 | 6,245 | (3,179) | 25,650 | - |
| Interest Expense | (178,249) | (225,190) | (238,303) | (224,195) | (209,540) | (197,730) | (266,121) | (261,141) | (240,450) | (215,823) |
| Other Non-Operating Expenses | (1,800) | (65,803) | (2,103) | (207,253) | (19,094) | (54,905) | (2,155) | (2,282) | (4,892) | (2,184) |
| Total Non-Operating Revenues (Expenses) | 497,085 | 425,750 | 305,246 | 413,384 | 623,079 | 853,485 | 883,585 | 858,490 | 886,983 | 940,227 |
| Income (Loss) Before Capital Contributions | 65,010 | 385,315 | 534,995 | 455,826 | 751,671 | 1,053,824 | 1,016,213 | 1,134,892 | 2,211,307 | 955,185 |
| Capital Contributions | | | | | | | | | | |
| Capacity Fees | - | 27,610 | 48,420 | 36,650 | 129,808 | 51,705 | 90,900 | 29,114 | 78,193 | 261,134 |
| Capital Grants | - | - | - | - | - | - | 505,000 | - | - | - |
| Contributed Assets | - | 12,598 | 20,222 | 28,593 | 22,833 | 90,081 | - | - | - | - |
| Development Fees | - | - | - | - | - | - | - | - | - | - |
| Total Capital Contributions | - | 40,208 | 68,642 | 65,243 | 152,641 | 141,786 | 595,900 | 29,114 | 78,193 | 261,134 |
| Change in Net Position | 65,010 | 425,523 | 603,637 | 521,069 | 904,312 | 1,195,610 | 1,612,113 | 1,164,006 | 2,289,500 | 1,216,319 |

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Retail Water Rates
Last 10 years

| Meter Sizes | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|
| Flat Bi-Monthly Service Charge (600 cu ft. Usage Charge Included) | | | | | | | | | | |
| 5/8" Meter | \$ 51.47 | \$ 53.22 | \$ 55.04 | \$ 56.73 | \$ 57.75 | \$ 58.80 | \$ 59.86 | \$ 59.86 | \$ 35.01 | \$ 36.64 |
| 3/4" Meter | \$ 61.72 | \$ 63.82 | \$ 66.00 | \$ 56.73 | \$ 57.75 | \$ 58.80 | \$ 59.86 | \$ 59.86 | \$ 35.01 | \$ 36.64 |
| 1" Meter | \$ 92.47 | \$ 95.62 | \$ 98.88 | \$ 94.55 | \$ 96.26 | \$ 98.00 | \$ 99.77 | \$ 99.77 | \$ 55.25 | \$ 57.83 |
| 1 1/2" Meter | \$ 179.47 | \$ 185.69 | \$ 192.03 | \$ 189.10 | \$ 192.51 | \$ 195.99 | \$ 199.53 | \$ 199.53 | \$ 105.87 | \$ 110.79 |
| 2" Meter | \$ 287.20 | \$ 296.97 | \$ 307.11 | \$ 302.55 | \$ 308.02 | \$ 313.59 | \$ 319.25 | \$ 319.25 | \$ 166.61 | \$ 174.35 |
| 3" Meter | \$ 538.30 | \$ 556.61 | \$ 575.61 | \$ 661.84 | \$ 673.79 | \$ 685.97 | \$ 698.37 | \$ 698.37 | \$ 358.95 | \$ 375.63 |
| 4" Meter | \$ 897.01 | \$ 927.52 | \$ 959.18 | \$ 1,191.31 | \$ 1,212.83 | \$ 1,234.74 | \$ 1,257.06 | \$ 1,257.06 | \$ 642.41 | \$ 672.24 |
| Tier Schedule Bi-Monthly (\$ / 100 cubic feet (CCF)) | | | | | | | | | | |
| 5/8" Meter | | | | | | | | | | |
| Tier 1 (0 - 1,700) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 1.72 | \$ 1.80 |
| Tier 2 (1,701 + CCF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.18 | \$ 2.28 |
| Tier 1 (601 - 2,600) | \$ 0.60 | \$ 0.62 | \$ 0.64 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tier 2 (2,601 - 15, 600 CCF) | \$ 0.75 | \$ 0.78 | \$ 0.80 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tier 3 (15,601 +) | \$ 0.94 | \$ 0.98 | \$ 1.01 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 3/4 - 1 1/2" Meter | | | | | | | | | | |
| Tier 1 (0 - 1,700) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 1.72 | \$ 1.80 |
| Tier 2 (1,701 + CCF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.18 | \$ 2.28 |
| Tier 1 (601 - 5,800) | \$ 0.60 | \$ 0.62 | \$ 0.64 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tier 2 (5,801 - 44,800 CCF) | \$ 0.75 | \$ 0.78 | \$ 0.80 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tier 3 (44,801 +) | \$ 0.94 | \$ 0.98 | \$ 1.01 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2" to 4" Meter | | | | | | | | | | |
| Tier 1 (0 - 1,700) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 1.72 | \$ 1.80 |
| Tier 2 (1,701 + CCF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.18 | \$ 2.28 |
| Tier 1 (601 - 55,200) | \$ 0.60 | \$ 0.62 | \$ 0.64 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tier 2 (55,201 - 286,000 CCF) | \$ 0.75 | \$ 0.78 | \$ 0.80 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tier 3 (286,001 +) | \$ 0.94 | \$ 0.98 | \$ 1.01 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Commercial, Institutional and Industrial | | | | | | | | | | |
| CII (all uses) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 1.94 | \$ 2.03 |
| Irrigation (all uses) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.22 | \$ 2.33 |
| Inactive Meter Charge: Fixed Rate | \$ 46.01 | \$ 47.34 | \$ 48.98 | \$ 52.34 | \$ 51.63 | \$ 52.50 | \$ 53.39 | \$ 53.39 | \$ 35.01 | \$ 36.64 |
| Capital Improvement Surcharge (Restricted Funds) | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 | \$ 19.00 |
| CR6 Surcharge (Restricted Funds) | | | | | \$ 7.90 | \$ 15.80 | \$ 15.80 | \$ 15.80 | \$ 15.80 | \$ 15.80 |
| Meter Sizes 5/8" - 4" | | | | | | | | | | |
| Non-Drought Rate Vol. Rate | N/A | N/A | N/A | \$ 0.55 | \$ 0.77 | \$ 0.79 | \$ 0.81 | \$ 0.81 | N/A | N/A |
| Drought Rate | | | | | | | | | | |

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Agenda Item 4.6

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Retail Water Rates
Last 10 years

| | | | | | | | | | | |
|---|-----|-----|-----|---------|---------|---------|---------|---------|-----------|-----------|
| Stage 30% (601 +) | N/A | N/A | N/A | \$ 0.63 | \$ 0.88 | \$ 0.90 | \$ 0.92 | \$ 0.92 | N/A | N/A |
| Tier 1 (0 - 1,700) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.34 | \$ 2.45 |
| Tier 2 (1,701 + CCF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.00 | \$ 3.14 |
| Commercial, Institutional, Industrial CII | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.77 | \$ 2.90 |
| Irrigation | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.18 | \$ 3.32 |
| Stage : 40% (601 +) | N/A | N/A | N/A | \$ 0.73 | \$ 1.02 | \$ 1.05 | \$ 1.08 | \$ 1.08 | N/A | N/A |
| Tier 1 (0 - 1,700) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.69 | \$ 2.81 |
| Tier 2 (1,701 + CCF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.46 | \$ 3.62 |
| Commercial, Institutional, Industrial CII | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.23 | \$ 3.39 |
| Irrigation | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.70 | \$ 3.88 |
| Stage: 50% (601 +) | N/A | N/A | N/A | \$ 0.88 | \$ 1.23 | \$ 1.25 | \$ 1.29 | \$ 1.29 | N/A | N/A |
| Tier 1 (0 - 1,700) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.18 | \$ 3.32 |
| Tier 2 (1,701 + CCF) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 4.10 | \$ 4.29 |
| Commercial, Institutional, Industrial CII | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 3.88 | \$ 4.07 |
| Irrigation | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 4.44 | \$ 4.65 |
| Single Family Residential Inoperable | | | | | | | | | | |
| Meter Fees | | | | | | | | | | |
| Meter Sizes 5/8" - 3/4" November - April | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 68.61 | \$ 71.80 |
| Meter Sizes 5/8" - 3/4" May - December | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 120.93 | \$ 126.52 |
| Meter Size 1" November - April | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 88.85 | \$ 92.99 |
| Meter Size 1" May - December | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 141.17 | \$ 147.71 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Water Sales by Type of Customers
Last 10 years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Water Sales: | | | | | | | | | | |
| Residential | \$ 2,011,151 | \$ 1,973,254 | \$ 1,926,866 | \$ 2,009,517 | \$ 2,138,326 | \$ 2,215,321 | \$ 2,400,347 | \$ 2,368,448 | \$ 2,451,229 | \$ 2,488,889 |
| Non-Residential (A) | 307,156 | 334,793 | 246,228 | 280,110 | 361,623 | 344,973 | 264,724 | 380,262 | 381,632 | 442,552 |
| Total Water Sales | <u>\$ 2,318,307</u> | <u>\$ 2,308,047</u> | <u>\$ 2,173,094</u> | <u>\$ 2,289,627</u> | <u>\$ 2,499,949</u> | <u>\$ 2,560,294</u> | <u>\$ 2,665,072</u> | <u>\$ 2,748,710</u> | <u>\$ 2,832,861</u> | <u>\$ 2,931,441</u> |
| Total Water Deliveries (AF) | 2,449.4 | 2,109.5 | 2,097.7 | 2,233.0 | 2,488.2 | 2,445.5 | 2,595.3 | 2970.1 | 2669.84 | 2404.1 |
| Rate per Acre Foot (AF) | \$ 946.48 | \$ 1,094.12 | \$ 1,035.94 | \$ 1,025.36 | \$ 1,004.72 | \$ 1,046.94 | \$ 1,026.87 | \$ 925.46 | \$ 1,061.06 | \$ 1,219.35 |

(A) Non-residential included multi-family, institutional, industrial, commercial, landscape irrigation and apartments.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Revenue Capacity (Unaudited)
Principal Rate Payers
Last 10 years

Fiscal Year 2023

Revenue Generated from 7/1/2022 to 6/30/2023

| Ratepayer | Revenues Collected | Percent of Total Water Sales |
|---------------------------------|-----------------------------|------------------------------|
| Rio Linda Senior High School | \$ 37,215.39 | 1.27% |
| Rio Linda Preparatory Academy | \$ 34,411.39 | 1.17% |
| Westside Park-RLERPD | \$ 17,181.22 | 0.59% |
| RLSD Dry Creek Elementary | \$ 15,902.51 | 0.54% |
| Orchard Elementary School | \$ 15,726.95 | 0.54% |
| Bell Aqua Apartments | \$ 14,922.18 | 0.51% |
| Babe Best Park RLERPD | \$ 13,052.99 | 0.45% |
| Stephen Tresner | \$ 10,690.06 | 0.36% |
| Jay Kim | \$ 10,631.51 | 0.36% |
| Rio Linda Union School District | \$ 8,921.70 | 0.30% |
| Total | <u>\$ 178,655.90</u> | 6.09% |
| Total Water Sales | <u>\$ 2,931,441</u> | |

Fiscal Year 2014

Revenue Generated from 7/1/2013 to 6/30/2014

| Ratepayer | Revenues Collected | Percent of Total Water Sales |
|------------------------------|----------------------------|------------------------------|
| Rio Linda Jr. High School | \$ 23,840.50 | 1.03% |
| Westside Park - RLERPD | \$ 22,764.27 | 0.98% |
| Rio Linda Senior High School | \$ 11,918.48 | 0.51% |
| RLSD Dry Creek Elementary | \$ 8,519.99 | 0.37% |
| Rio Linda Elementary | \$ 7,410.43 | 0.32% |
| Orchard Elementary School | \$ 7,338.25 | 0.32% |
| SYAR Concrete LLC | \$ 5,763.04 | 0.25% |
| Comm Cntr RLERPD | \$ 5,486.26 | 0.24% |
| Bell Aqua Apartments | \$ 4,989.69 | 0.22% |
| Babe Best Park RLERPD | \$ 4,330.37 | 0.19% |
| Total | <u>\$102,361.28</u> | 4.42% |
| Total Water Sales | <u>\$ 2,318,307</u> | |

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RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Debt Capacity
Schedule of Debt Service
Last Ten Years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|-------------|
| Net Revenue | \$ 65,010 | \$ 425,523 | \$ 603,637 | \$ 521,069 | \$ 904,312 | \$ 1,195,610 | \$ 1,612,113 | \$ 1,134,892 | \$ 2,211,307 | \$ 955,185 |
| Debt Service | 6,705,345 | 9,673,174 | 8,322,613 | 7,829,402 | 7,420,165 | 6,798,503 | 9,259,845 | 8,483,825 | 7,689,490 | 6,873,509 |
| Coverage | 1% | 4% | 7% | 7% | 12% | 18% | 17% | 13% | 29% | 14% |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Debt Capacity
Ratios of Outstanding Debt by Type and Number of Connections
Last Ten Years

| Debt: | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Water Revenue Refunding Bonds | \$ 3,020,000 | \$ 2,688,622 | \$ 2,478,622 | \$ 2,353,846 | \$ 2,224,769 | \$ 2,091,606 | \$ 1,952,591 | \$ 1,806,855 | \$ 1,658,697 | \$ 1,506,424 |
| State Safe Drinking Water Loan | 3,685,345 | 6,984,552 | 5,365,497 | 5,040,853 | 4,706,952 | 4,364,411 | 4,013,009 | 3,652,514 | 3,282,681 | 2,902,304 |
| Surcharge 2 Loan | - | - | - | - | 99,141 | - | 3,000,040 | 2,780,040 | 2,555,040 | 2,325,040 |
| Meter Replacement Loan | - | - | 478,494 | 434,703 | 389,304 | 342,486 | 294,205 | 244,416 | 193,072 | 139,741 |
| Legal Settlement | 53,400 | 17,800 | - | - | - | - | - | - | - | - |
| Total Debt | \$ 6,758,745 | \$ 9,690,974 | \$ 8,322,613 | \$ 7,829,402 | \$ 7,420,166 | \$ 6,798,503 | \$ 9,259,845 | \$ 8,483,825 | \$ 7,689,490 | \$ 6,873,509 |
| Number of Service Connections | 4617 | 4618 | 4622 | 4628 | 4636 | 4637 | 4640 | 4643 | 4651 | 4670 |
| Debt Per Capita | 1463.88 | 2098.52 | 1800.65 | 1691.75 | 1600.55 | 1466.14 | 1995.66 | 1827.23 | 1653.30 | 1471.84 |

**RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Demographic and Economic (Unaudited)
Sacramento County*
Last Ten Years**

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|
| Personal Income (1) | \$ 65,126,187 | \$ 69,870,482 | \$ 72,878,458 | \$ 76,832,120 | \$ 80,969,087 | \$ 85,775,621 | \$ 90,908,707 | \$ 98,241,828 | unavailable | unavailable |
| Population (1) | 1,482,026 | 1,501,335 | 1,514,460 | 1,530,615 | 1,540,975 | 1,541,301 | 1,559,146 | 1,588,921 | unavailable | unavailable |
| Per Capita Personal Income (1) | \$ 43,944 | \$ 47,811 | \$ 48,850 | \$ 50,197 | \$ 52,544 | \$ 53,278 | \$ 58,307 | \$ 61,829 | unavailable | unavailable |
| Unemployment Rate (2) | 7.3% | 5.5% | 4.6% | 4.0% | 3.80% | 3.70% | 8.30% | 4.20% | 4.50% | unavailable |

* Information for Demographic and Economic statistics are for the County of Sacramento since the Rio Linda / Elverta is unincorporated and reported under Sacramento County and such information is not available solely for the District's service area.

Source:
 (1) Bureau of Economic Analysis, US Department of Commerce
 (2) California State Employment Development Department

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Demographic and Economic (Unaudited)
Principal Employers
Sacramento County*

| Company | Fiscal Year | | | Fiscal Year | | |
|---|-----------------------------------|------|---|--|------|---|
| | 2022 | | | 2012 | | |
| | Average Number of Employees | Rank | Percentage of Total County Employment | Average Number of Employees - (a) | Rank | Percentage of Total County Employment |
| State of California | 82,894 | 1 | 11.55% | 69,763 | 1 | 11.47% |
| UC Davis Health System | 16,075 | 2 | 2.24% | 9,584 | 3 | 1.58% |
| Sacramento County | 12,760 | 3 | 1.78% | 11,450 | 2 | 1.88% |
| Kaiser Permanente | 12,301 | 4 | 1.71% | 6,360 | 6 | 1.05% |
| US Government | 10,698 | 5 | 1.49% | | | |
| Sutter Health Sacramento Sierra Region | 9,595 | 6 | 1.34% | 5,765 | 7 | 0.95% |
| Dignity Health | 7,488 | 7 | 1.04% | 7,069 | 4 | 1.16% |
| Intel Corp | 5,300 | 8 | 0.74% | 6,633 | 5 | 1.09% |
| San Juan Unified School District | 5,126 | 9 | 0.71% | 4,700 | 10 | 0.77% |
| Raleys | 2,980 | 10 | 0.42% | | | |
| Sacramento City Unified School District | | | | 5,000 | 9 | 0.82% |
| Elk Grove Unified School District | | | | 5,021 | 8 | 0.83% |
| | 165,217 | | 23.01% | 131,345 | | 21.59% |
| Total Employed in Sacramento County | 717,900 | | | 608,400 | | |

* Information for Principal Employers is provided for the County of Sacramento since the District is located within the County and such information is not available solely for the District's service area.

Source: Sacramento Business Journal December 2022 Vol. 39 No. 45, December 2012 Vol. 29 No. 44 and Employment Development Dept.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Operating Information
Capital Assets
Last Ten Years

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Capital Assets Not Being Depreciated | | | | | | | | | | |
| Land | \$ 496,673 | \$ 496,673 | \$ 496,673 | \$ 496,673 | \$ 496,673 | \$ 576,673 | \$ 576,673 | \$ 576,673 | \$ 576,673 | \$ 576,673 |
| Construction in Progress | 1,167,567 | 631,834 | 588,994 | 637,767 | 1,250,106 | 1,313,099 | 2,498,738 | 424,288 | 424,288 | 873,030 |
| Total Not Being Depreciated | 1,664,240 | 1,128,507 | 1,085,667 | 1,134,440 | 1,746,779 | 1,889,772 | 3,075,411 | 1,000,961 | 1,000,961 | 1,449,703 |
| Capital Assets Being Depreciated | | | | | | | | | | |
| Water System Facilities | 15,192,373 | 19,096,450 | 20,039,978 | 20,562,699 | 20,717,060 | 20,760,312 | 20,760,312 | 24,938,803 | 25,039,860 | 25,140,031 |
| General Plant Assets | 727,008 | 603,967 | 594,236 | 606,507 | 712,767 | 733,399 | 709,030 | 661,465 | 685,385 | 685,385 |
| Intangible Assets | 407,225 | 407,225 | 403,145 | 373,043 | 373,043 | 373,043 | 373,043 | 373,043 | 373,043 | 383,084 |
| Less Accumulated Depreciation | (6,702,352) | (7,144,370) | (7,638,607) | (8,241,348) | (8,702,559) | (9,282,773) | (9,894,836) | (10,472,675) | (11,137,668) | (11,848,272) |
| Total Not Being Depreciated, Net | 9,624,254 | 12,963,272 | 13,398,752 | 13,300,901 | 13,100,311 | 12,583,981 | 11,947,549 | 15,500,636 | 14,960,620 | 14,360,228 |
| Capital Assets, Net | \$ 11,288,494 | \$ 14,091,779 | \$ 14,484,419 | \$ 14,435,341 | \$ 14,847,090 | \$ 14,473,753 | \$ 15,022,960 | \$ 16,501,597 | \$ 15,961,581 | \$ 15,809,931 |

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT
Operating Information
Operating Data
Last Ten Years

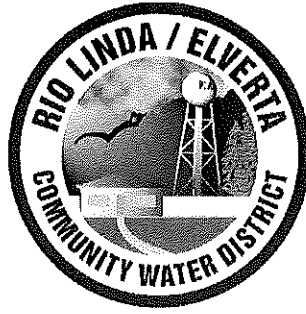
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------------|-------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| WATER SERVICES | | | | | | | | | | |
| Number of Service Connections | 4,617 | 4,618 | 4,622 | 4,628 | 4,636 | 4,637 | 4,640 | 4,643 | 4,668 | 4,670 |
| Annual Demand in AF | 2,449.4 | 2,109.5 | 2,097.5 | 2,285.9 | 2,488.1 | 2,488.5 | 2,690.0 | 2,970.2 | 2,563.7 | 2,404.5 |
| Max Monthly Demand in Gallons | 115,965,570 | 87,014,897 | 97,962,392 | 107,432,399 | 120,549,805 | 120,520,384 | 118,923,764 | 130,737,920 | 126,848,184 | 110,436,470 |
| Maximum Day Demand in Gallons | 2,217,013 | 1,909,354 | 3,265,413 | 3,465,561 | 3,888,703 | 3,757,658 | 3,964,125 | 4,357,930 | 3,562,466 | 4,104,864 |
| METERS | | | | | | | | | | |
| New Installations | 0 | 0 | 4 | 7 | 7 | 1 | 2 | 2 | 20 | 19 |
| Replacement | 349 | 179 | 1,087 | 377 | 475 | 325 | 381 | 271 | 229 | 224 |
| HYDRANTS | | | | | | | | | | |
| New Installations | 0 | 0 | 1 | 0 | 0 | 0 | 4 | 0 | 3 | 1 |
| Replacement | 0 | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| LEAKS | | | | | | | | | | |
| Water Main | 1 | 2 | 3 | 2 | 0 | 8 | 1 | 2 | 3 | 3 |
| Service | 76 | 82 | 66 | 66 | 80 | 70 | 83 | 87 | 90 | 90 |
| MAIN LINE VALVES | | | | | | | | | | |
| New Installations | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 3 |
| Replacement | 0 | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 0 |
| SERVICES | | | | | | | | | | |
| New Installations | 0 | 3 | 4 | 7 | 7 | 0 | 2 | 2 | 20 | 19 |
| Replacement | 1 | 0 | 10 | 29 | 34 | 19 | 10 | 13 | 10 | 14 |
| MAJOR FACILITIES | | | | | | | | | | |
| Wells | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 |
| Tank | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Booster Station | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Pressure Regulation Valves | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Miles of Pipeline | 61.72 | 62.10 | 62.10 | 62.10 | 62.10 | 62.10 | 62.43 | 62.43 | 62.43 | 62.43 |
| PERSONNEL | | | | | | | | | | |
| Management | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administration | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Field Operations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |

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**RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT
730 L Street
Rio Linda, CA 95673**

**Tel. (916) 991-1000
www.rlecwd.com**



Items for Discussion and Action
Agenda Item: 4.7

Date: November 27, 2023

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

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A, this is a standing item on all regular meeting agendas.

Current Background and Justification:

District policy and various statutes stipulate Board approval of any Board Member assignments. Generally , this is a standing item, which occurs on every regular meeting agenda.

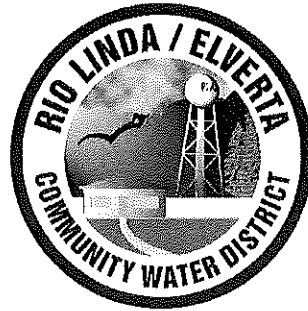
Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Cline _____ Gifford _____ Green _____ Harris _____ Young _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Information Items Agenda Item: 5.1

Date: November 27, 2023

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

DISTRICT ACTIVITY REPORTS

1. Operations Report
2. Completed and Pending Items Report
3. Leak Repair Report
4. Clarification on FY 2023/2024 Capital Budget Funding for Pipe Replacement

RIO LINDA/ELVERTA C.W.D. 2023

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

Water Production (Million Gallons)

| January | February | March | April | May | June | Year To Date |
|---|-------------|------------|----------------------|--------------------|-------------|-----------------|
| 42 | 36.1 | 39.6 | 47.3 | 74.9 | 88.1 | |
| 42,034,558 | 36,097,520 | 39,545,256 | 47,285,568 | 74,863,944 | 88,145,580 | |
| July | August | Sept. | Oct. | Nov. | Dec. | |
| 110.9 | 105.1 | 79.6 | 65.3 | | | 688.90 |
| 110,932,208 | 105,101,196 | 79,614,528 | 65,304,518 | | | |
| | | | Monthly Total | | | |
| Gallons = Multiply M.G. by: 1,000,000 | | | 65,304,518 | Gallons | 688,924,876 | |
| Cubic Feet = Divide gallons by: 7.48 | | | 8,730,551 | Cubic Feet | 92,102,256 | |
| Hundred Cu Ft. = Divide cu. ft. by: 100 | | | 87,306 | Hundred Cubic Feet | 921,023 | |
| Acre Ft.= Divide gallons by: 325,829 | | | 200.43 | Acre Ft. | 2,114 | |

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

| January | February | March | April | May | June | Year To Date |
|---------|----------|-------|-------|-------|------|-----------------|
| 0 | 2 (2) | 0 | 0 | 3 (2) | 0 | |
| July | August | Sept. | Oct. | Nov. | Dec. | |
| 1 | 0 | 2 (1) | 3 (3) | | | 11 |

New Services

| | | |
|---|---|------|
| New Construction | 0 | 1 |
| Existing Homes | 1 | 3 |
| Paid prior to increase. (2 not installed) | 0 | 0 |
| Total of Service Connections to Date -----> | | 4671 |

Distribution System Failures/Repairs

| | | |
|---------------------------------|----|----|
| Deterioration October 1 thru 31 | 13 | 76 |
| Damaged October 1 thru 31 | 0 | 2 |

Bacteriological Sampling

| | | |
|---|----|-----|
| Routine Bacteriological Samples (Distribution System) | 20 | 176 |
| Raw Water Bacteriological Samples (at Wells) | 0 | 33 |

October 1, 2023 - October 31, 2023

13 - Distribution leaks repaired by District staff, 0 - by Contractor or with Contractor assistance.

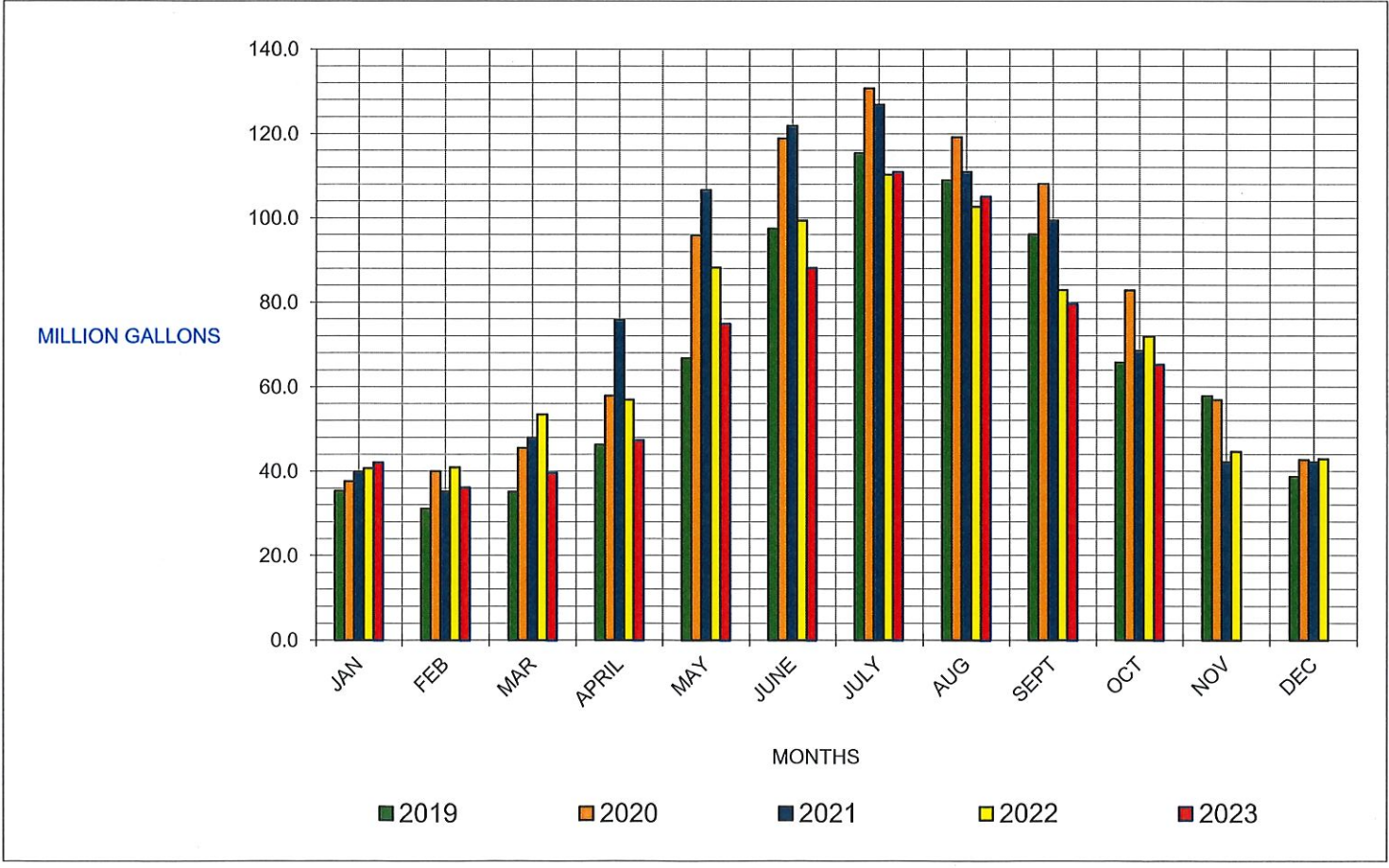
| Work Orders Issued - 48 | Work Orders Completed - 57 | USA's Issued - 140 |
|-------------------------|----------------------------|--------------------|
| Backflow Test - 1 | Backflow Test - 1 | |
| Change Out Meter - 1 | Change Out Meter - 9 | |
| General Complaint - 1 | Disconnect Service - 3 | |
| Disconnect Service - 2 | Flow Test - 2 | |
| Flow Test - 2 | Get Current Read - 2 | |
| Get Current Read - 2 | Line Leak - 6 | |
| Line Leak - 5 | Other Work - 5 | |
| Other Work - 4 | Possible Leak - 13 | |
| Possible Leak - 15 | Pressure Complaint - 4 | |
| Pressure Complaint - 3 | Re-Install Meter - 1 | |
| Re-Install Meter - 1 | Tag Property - 7 | |
| Tag Property - 7 | Turn Off Service - 3 | |
| Turn Off Service - 3 | Usage Complaint - 1 | |
| Usage Complaint - 1 | | |

RIO LINDA/ELVERTA C.W.D.

WATER PRODUCTION

2019 \ 2023

| Month | Water Production in Million Gallons | | | | | | SSWD Water Purchases | | | | |
|--------------|-------------------------------------|--------------|--------------|--------------|--------------|--------------|----------------------|------------|------------|------------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. | 2019 | 2020 | 2021 | 2022 | 2023 |
| JAN | 35.3 | 37.6 | 39.9 | 40.7 | 42.0 | 39.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FEB | 31.1 | 40.0 | 35.2 | 40.9 | 36.1 | 36.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MAR | 35.1 | 45.5 | 47.9 | 53.5 | 39.6 | 44.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| APRIL | 46.3 | 57.9 | 75.8 | 57.0 | 47.3 | 56.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MAY | 66.8 | 95.9 | 106.6 | 88.2 | 74.9 | 86.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| JUNE | 97.5 | 118.9 | 121.9 | 99.4 | 88.1 | 105.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| JULY | 115.4 | 130.7 | 126.8 | 110.3 | 110.9 | 118.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| AUG | 108.9 | 119.2 | 110.9 | 102.7 | 105.1 | 109.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SEPT | 96.1 | 108.1 | 99.4 | 82.9 | 79.6 | 93.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| OCT | 65.8 | 82.8 | 68.5 | 71.9 | 65.3 | 70.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NOV | 57.8 | 56.9 | 42.2 | 44.6 | | 50.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| DEC | 38.7 | 42.7 | 42.2 | 42.9 | | 41.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 794.8 | 936.2 | 917.3 | 835.0 | 688.9 | 870.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |



2023 Leak - Repair Tracking

75

| Work Order # | Leak Type | Street | Date Reported | Date Repaired | Days | |
|--------------|-----------|--------------|----------------------|---------------|-----------|-----|
| 1 | 23759 | Service Line | Silver Crest Circle | 1/13/2023 | 1/18/2023 | 5 |
| 2 | 23757 | Service Line | G Street | 1/10/2023 | 1/11/2023 | 1 |
| 3 | 23807 | Service Line | Rio Linda Blvd | 2/7/2023 | 2/13/2023 | 6 |
| 4 | 23808 | Main | 2nd Street | 2/7/2023 | 2/7/2023 | 0.1 |
| 5 | 23821 | Service Line | I Street | 2/21/2023 | 2/21/2023 | 1 |
| 6 | 23823 | Service Line | E Street | 2/22/2023 | 2/22/2023 | 1 |
| 7 | 23830 | Service Line | 2nd Street | 3/2/2023 | 3/9/2023 | 7 |
| 8 | 23840 | Service Line | I Street | 3/16/2023 | 3/16/2023 | 1 |
| 9 | 23819 | Service Line | Dry Creek Rd | 2/21/2023 | 4/18/2023 | 60 |
| 10 | 23827 | Service Line | 10th Street | 3/1/2023 | 3/1/2023 | 1 |
| 11 | 23875 | Service Line | Fallon Place Ct | 3/30/2023 | 4/5/2023 | 6 |
| 12 | 23876 | Service Line | 6th Street | 4/3/2023 | 4/6/2023 | 3 |
| 13 | 23888 | Service Line | M Street | 4/12/2023 | 4/12/2023 | 1 |
| 14 | 23891 | Service Line | 20th Street | 4/14/2023 | 4/19/2023 | 5 |
| 15 | 23896 | Service Line | 24th Street | 4/19/2023 | 4/20/2023 | 1 |
| 16 | | Main | Dry Creek & G Street | 4/23/2023 | 4/23/2023 | 1 |
| 17 | 23897 | Service Line | Dry Creek Rd | 4/19/2023 | 4/26/2023 | 7 |
| 18 | 23900 | Service Line | W 2nd Street | 4/21/2023 | 4/25/2023 | 4 |
| 19 | 23909 | Service Line | W 2nd Street | 5/1/2023 | 5/1/2023 | 1 |
| 20 | 23912 | Service Line | I Street | 5/1/2023 | 5/1/2023 | 1 |
| 21 | 23925 | Service Line | M Street | 5/4/2023 | 5/4/2023 | 1 |
| 22 | 23928 | Service Line | Castle Creek Way | 5/9/2023 | 5/11/2023 | 2 |
| 23 | 23933 | Service Line | Withington Ave | 5/10/2023 | 5/16/2023 | 6 |
| 24 | 23938 | Service Line | E Street | 5/17/2023 | 5/24/2023 | 7 |
| 25 | 23941 | Service Line | Dry Creek Rd | 5/17/2023 | 5/17/2023 | 1 |
| 26 | 23942 | Service Line | Elkhorn Blvd | 5/17/2023 | 5/17/2023 | 1 |
| 27 | 23970 | Service Line | Fallon Woods Way | 5/28/2023 | 5/31/2023 | 3 |
| 28 | 23967 | Service Line | I Street | 5/25/2023 | 6/1/2023 | 7 |
| 29 | 23975 | Service Line | Elwyn Ave | 6/3/2023 | 6/3/2023 | 1 |
| 30 | 23984 | Service Line | Silver Tree Ct | 6/7/2023 | 6/7/2023 | 1 |
| 31 | 23985 | Service Line | Castle Creek Wy | 6/8/2023 | 6/8/2023 | 1 |
| 32 | 24000 | Service Line | 26th Street | 6/21/2023 | 6/28/2023 | 7 |
| 33 | 24014 | Service Line | E Street | 7/3/2023 | 7/6/2023 | 3 |
| 34 | 24024 | Service Line | Elkhorn Blvd | 7/17/2023 | 7/19/2023 | 2 |
| 35 | 24033 | Service Line | 2nd Street | 7/26/2023 | 7/26/2023 | 1 |
| 36 | 24009 | Service Line | U St | 6/29/2023 | 8/8/2023 | 40 |
| 37 | 24025 | Service Line | Vickery Ct | 7/18/2023 | 8/1/2023 | 14 |
| 38 | 24029 | Service Line | Quebec Way | 7/25/2023 | 8/1/2023 | 7 |
| 39 | 24047 | Service Line | 6th Street | 7/27/2023 | 8/17/2023 | 21 |
| 40 | 24056 | Service Line | Elkhorn Blvd | 8/2/2023 | 8/2/2023 | 1 |
| 41 | 24061 | Service Line | I Street | 8/3/2023 | 8/3/2023 | 1 |
| 42 | 24075 | Service Line | 2nd Street | 8/9/2023 | 8/22/2023 | 13 |
| 43 | 24076 | Service Line | 2nd Street | 8/9/2023 | 8/17/2023 | 8 |
| 44 | 24077 | Service Line | Rio Linda Blvd | 8/9/2023 | 8/9/2023 | 1 |

| | | | | | | |
|----|-------|--------------|---------------------|------------|------------|----|
| 45 | 24078 | Service Line | Ascot Ave | 8/10/2023 | 8/15/2023 | 5 |
| 46 | 24082 | Service Line | 16th Street | 8/15/2023 | 8/16/2023 | 2 |
| 47 | 24084 | Service Line | W Q Street | 8/16/2023 | 8/16/2023 | 1 |
| 48 | 24086 | Service Line | 24th Street | 8/18/2023 | 8/23/2023 | 5 |
| 49 | 24090 | Service Line | Fallon Woods Wy | 8/21/2023 | 8/21/2023 | 1 |
| 50 | 24091 | Service Line | Fallon Woods Way | 8/22/2023 | 8/29/2023 | 7 |
| 51 | 24092 | Service Line | I Street | 8/23/2023 | 8/24/2023 | 1 |
| 52 | 24093 | Service Line | 26th Street | 8/23/2023 | 8/24/2023 | 1 |
| 53 | 24099 | Service Line | 8th Street | 8/28/2023 | 8/28/2023 | 1 |
| 54 | 24103 | Service Line | 26th Street | 8/29/2023 | 8/29/2023 | 1 |
| 55 | 24083 | Service Line | Withington Ave | 8/16/2023 | 9/11/2023 | 26 |
| 56 | 24098 | Service Line | Silver Tree Ct | 8/28/2023 | 9/11/2023 | 14 |
| 57 | 24108 | Service Line | 26th Street | 9/5/2023 | 9/5/2023 | 1 |
| 58 | 24111 | Service Line | E Street | 9/6/2023 | 9/12/2023 | 6 |
| 59 | 24113 | Service Line | 20th Street | 9/6/2023 | 9/6/2023 | 1 |
| 60 | 24117 | Service Line | 16th Street | 9/7/2023 | 9/7/2023 | 1 |
| 61 | 24119 | Service Line | Dry Creek Rd | 9/11/2023 | 9/11/2023 | 1 |
| 62 | 24149 | Service Line | Montague Way | 9/21/2023 | 9/21/2023 | 1 |
| 63 | 24150 | Service Line | O Street | 9/21/2023 | 9/21/2023 | 1 |
| 64 | 24152 | Service Line | 24th Street | 9/25/2023 | 9/26/2023 | 2 |
| 65 | 24167 | Main | Elkhorn @ Dry Creek | 9/27/2023 | 9/28/2023 | 1 |
| 66 | 24129 | Service Line | Beamer Way | 9/19/2023 | 10/10/2023 | 21 |
| 67 | 24155 | Service Line | W 2nd Street | 9/26/2023 | 9/26/2023 | 1 |
| 68 | 24166 | Service Line | Delano St | 9/28/2023 | 10/3/2023 | 5 |
| 69 | 24170 | Service Line | Elwyn Ave | 10/2/2023 | 10/2/2023 | 1 |
| 70 | 24173 | Service Line | Ascot Ave | 10/3/2023 | 10/3/2023 | 1 |
| 71 | 24174 | Service Line | Withington Ave | 10/4/2023 | 10/9/2023 | 5 |
| 72 | 24178 | Service Line | G Street | 10/4/2023 | 10/4/2023 | 1 |
| 73 | 24184 | Service Line | Beamer Way | 10/12/2023 | 10/25/2023 | 13 |
| 74 | 24187 | Service Line | Elkhorn Blvd | 10/13/2023 | 10/24/2023 | 11 |
| 75 | 24193 | Service Line | 26th Street | 10/17/2023 | 10/17/2023 | 1 |
| 76 | 24194 | Service Line | 6th Street | 10/19/2023 | 10/19/2023 | 1 |
| 77 | 24198 | Service Line | G Street | 10/23/2023 | 10/23/2023 | 1 |
| 78 | 24204 | Service Line | 26th Street | 10/26/2023 | 10/26/2023 | 1 |
| 79 | | | | | | |
| 80 | | | | | | |
| 81 | | | | | | |
| 82 | | | | | | |
| 83 | | | | | | |
| 84 | | | | | | |
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| 86 | | | | | | |
| 87 | | | | | | |
| 88 | | | | | | |
| 89 | | | | | | |
| 90 | | | | | | |
| 91 | | | | | | |



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**PENDING AND COMPLETED ITEMS
11-27-2023 BOARD OF DIRECTORS MEETING**

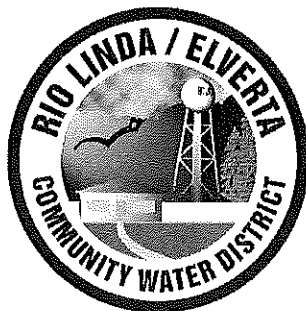
1. **Coordinating with cellular service lease rights holder to service the cathodic protection system on the elevated water storage tank.** – There has been no response from Diamond Communications regarding the Comcast interest in renting space. I have also explored coordinating with T-Mobile for the cathodic protection maintenance – **Pending**
2. **Submittal of the Water Use Efficiency Objective AND SB-606 and AB-1668 planning for compliance** – The District is focusing efforts to prepare and submit its Water Use Efficiency Objectives report through the agreement with Vasquez Engineering **Pending**
3. **–Hexavalent Chromium MCL** The State Water Resources Control Board published their Notice of Proposed Rulemaking on June 16th, Then, the Water Board held an administrative hearing on August 2nd. The General Manager participated in the public hearing held on August 2nd, which was mostly boiler plate commentary. Staff continues to monitor State Board agendas for indications they will announce final approval. **Pending**
4. **District outreach to customers following implementation of a new rate structure focused on consumption in compliance with SB 606 / AB 1668 requirements** – The Customer Service / Conservation Coordinator continues is on leave. **Pending**
5. **Mandated Board Member Training** – Significant progress has been achieved on mandatory training by many of the Board Members. However, we have not yet achieved 100% compliance. **Pending**
6. **Cost of Service Reductions to Mitigate Inflation** –Staff continues to seek out inflation mitigation measures. The more recent focus on mitigation measures on costs for office phones and network server. More recently, the District is discussing changing the cell phone service provider. **-Pending**
7. **Annual Water Loss Audit and Validation of the same** – Staff has completed the annual water loss audit. The certified data validator (the General Manager) has completed the data validation, but now the state has postponed the opening of the submittal portal as the transition from version 5 software to version 6. **Pending**
8. **PFOS / PFAS Litigation** – Polyfluoroalkyl substances litigation affecting every public water agency in the United States is underway. There is a closed session item on the 11-27-2023 Board agenda. – **Pending.**
9. **Annual Comprehensive Financial Report (ACFR formerly CAFR)** – has been completed and is reading for Board consideration. - **Pending**

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
CAPITAL BUDGET
2023-2024

Revision 1 Capital Budget 11-27-23

| | | GENERAL | VEHICLE & LARGE EQUIPMENT REPLACEMENT | FUTURE CAPITAL IMPROVEMENT PROJECTS | HEXAVALENT CHROMIUM MITIGATION | TOTAL |
|---|--|--------------|---------------------------------------|-------------------------------------|--------------------------------|------------|
| FUNDING SOURCES | | | | | | |
| | | | | | | |
| | Fund Transfers | | | | | |
| | Operating Fund Transfers In | 611,800.00 | 0.00 | 0.00 | 0.00 | 611,800.00 |
| | CIP Fund Intrafund Transfers | (362,644.00) | 10,000.00 | 352,644.00 | 0.00 | 0.00 |
| | PERS ADP Loan Payment | | | | | |
| | Principle | 0.00 | 0.00 | 30,000.00 | 0.00 | 30,000.00 |
| | Interest | 0.00 | 0.00 | 1,628.00 | 0.00 | 1,628.00 |
| | Investment Revenue | 85.00 | 0.00 | 175.00 | 0.00 | 260.00 |
| PROJECTS | | | | | | |
| A · WATER SUPPLY | | | | | | |
| | A-1 · Miscellaneous Pump Replacements | 40,000.00 | 0.00 | 0.00 | 0.00 | 40,000.00 |
| Total A · WATER SUPPLY | | 40,000.00 | 0.00 | 0.00 | 0.00 | 40,000.00 |
| B · WATER DISTRIBUTION | | | | | | |
| | B-1 · Service Replacements | 30,000.00 | 0.00 | 0.00 | 0.00 | 30,000.00 |
| | B-2 · Small Meter Replacements | 120,000.00 | 0.00 | 0.00 | 0.00 | 120,000.00 |
| | B-3 · Large Meter Replacements | 5,000.00 | 0.00 | 0.00 | 0.00 | 5,000.00 |
| | B-4 · Pipeline Replacement | 0.00 | 0.00 | 366,000.00 | 0.00 | 366,000.00 |
| | B-5 · Cathodic Protection Replacement - L Street Tower | 45,000.00 | 0.00 | 0.00 | 0.00 | 45,000.00 |
| | B-6 · Raising/Lowering Valve Covers | 40,000.00 | 0.00 | 0.00 | 0.00 | 40,000.00 |
| | B-7 · Well 15 Cr6 Treatment-Design | 0.00 | 0.00 | 0.00 | 75,000.00 | 75,000.00 |
| Total B · WATER DISTRIBUTION | | 240,000.00 | 0.00 | 366,000.00 | 75,000.00 | 681,000.00 |
| TOTAL BUDGETED PROJECT EXPENDITURES | | 280,000.00 | 0.00 | 366,000.00 | 75,000.00 | 721,000.00 |
| NOTE: Reconciliation of annualized pipe replacement funding to non-annualized spending | | | | | | |

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Information Items Agenda Item: 5.2

Date: November 27, 2023

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

BOARD REPORTS

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris (primary)
- 5.2.3. Executive Committee – Gifford, Cline
- 5.2.4. ACWA/JPIA – Cline
- 5.2.5. 2023 COLA Negotiation Ad Hoc – Young, Gifford

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

November 8, 2023 @ 6:00 P.M.

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Visitors / Depot Center
6730 Front St.
Rio Linda, CA 95673

The meeting was called to order at 6:00 P.M. The meeting was attended in-person by, Director Cline, Director Gifford, General Manager Tim Shaw and Mike Vasquez (Mr. Vasquez arrived at 6:05 P.M.

Call to Order: 6:00 P.M.

Public Comment: *There were no public members present*

Items for Discussion:

| | |
|--|---|
| 1. | Contract District Engineer's Update. |
| <i>The Contract District Engineer presented his written report. He also provided disclosure regarding the email notification from EKI received the day prior to the Executive Committee meeting. Mr. Vasquez indicated all facets of service formerly provided by EKI can be covered through the Vasquez Engineering agreement. The Executive Committee discussed future phases of the pipe replacement program and the Water Use Efficiency Objectives submittal.</i> | |
| 2. | Discuss the Board Authorization for Filling Water System Operator Positions. |
| <i>The General Manager presented his written report.</i> <i>The Executive Committee forwarded an item onto the November 27th Board agenda with the Committee's recommendation that the Board authorize filling of three Water System Operator positions via the District's Lateral Transfer Promotion policy.</i> | |
| 3. | Discuss Options for Replacing District File Server. |
| <i>The General Manager presented his written report and provided updates for aspects having occurred after the written report was posted. The General Manager indicated that Adept Solutions is revising its analysis to include a more affordable option for replacing the District's file server.</i> <i>The Executive Committee directed staff to continue discussions with the Committee when the revised analysis of file server replacement options is completed.</i> | |
| 4. | Discuss Sustainability of District Office Phone System. |
| <i>The General Manager presented his written report, then updated the committee on a substantive status change after the report was written. The Samsung Office Phone system ceased operation. As of the Executive Committee meeting, staff has been unable to find a qualified service technician, who will respond to our outreach. The General Manager has procured a replacement system that will cost less than the service through Samsung and Intermedia. The transition is anticipated to be complete by November 27th (sooner if intermedia cooperates with the porting of the District's telephone numbers.</i> | |
| 5. | Discuss the Feasibility of Improved Timing for Review of Monthly Expenditure and Financial Reports. |
| <i>The General Manager presented his written report and provided additional insights into the intended purpose for this item. Recurringly, a public member has criticized the delay integrated into the monthly expenditures and financial reports. Since the timing aspects are typically not on the public meeting agendas, the District is restrained for overly discussing the subject.</i> | |

| | |
|----|---|
| 6. | Discuss Updating the Rates for Water Used from Fire Hydrants for Construction. |
| | <i>The General Manager provided his written report on the need and proposed methodology for updating the fees /rates associated with fire hydrant water use permitting. Director Cline requested some formatting and content improvements for the item to be considered by the Board.</i> |
| | <i>The Executive Committee forwarded the item, with the above suggested improvements, onto the November 27th Board agenda with the Committee's recommendation for Board approval.</i> |
| 7. | Discuss Expenditures for September 2023. |
| | <i>The Executive Committee forwarded the Expenditures report onto the November 27th Board agenda with the Committee's recommendation for Board approval.</i> |
| 8. | Discuss Financial Reports for September 2023 |
| | <i>The Executive Committee forwarded the Financial report onto the November 27th Board agenda with the Committee's recommendation for Board approval.</i> |

Directors' and General Manager Comments:

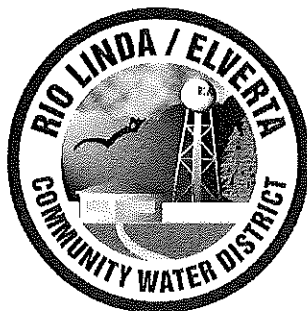
X – Reminder of Changes to December Public Meeting Dates and Location (Board meeting December 13th at Parks Community Center).

Y – Sacramento LAFCo Special District Advisory Committee Election.

The General Manger explained that early this calenda year, the Chair had directed to discontinue the District's involvement in Sacramento County LAFCo elections. However, Director Gifford asked that the District recon- sider LAFCo's request to participate in the elections. The Executive Committee directed staff accordingly to place items on the November 27th Board agenda to allow Board voting for LAFCo representatives.

Items Requested for Next Month's Committee Agenda: None

Adjournment: 6:57 P.M.



Agenda Item: 6

Date: November 27, 2023

Subject: Public Comment for Closed Session

Staff Contact: Timothy R. Shaw, General Manager

6. PUBLIC COMMENT FOR CLOSED SESSION

Public comment for closed session items only. The public is invited to comment on any item listed on the closed session agenda. Each speaker is limited to 2 minutes.



**Closed Session
Agenda Item: 7.1**

Date: November 27, 2023

Subject: Closed Session

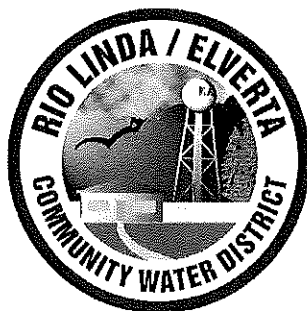
Staff Contact: Timothy R. Shaw, General Manager

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

7.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

Conference with legal counsel--existing litigation; Government Code sections 54954.5(c) and 54956.9(a) and (d)(1); Rio Linda Elverta Community Water District v. The 3M Company, et al., United States District Court for the District Of South Carolina, Charleston Division, MDL No. 2873 (PFAS contamination claims).

7.2 CONFERENCE WITH LABOR NEGOTIATORS - (Pursuant to Government Code Section 54957.6) District Negotiators; Shaw, Young, & Gifford. RLECWD Employee General Unit, Teamster Local 150 regarding 2023 Cost of Living Adjustment.



Agenda Item: 8

Date: November 27, 2023

Subject: REPORT OF ACTIONS TAKEN IN CLOSED SESSION

Staff Contact: Timothy R. Shaw, General Manager

8. REPORT OF ACTIONS TAKEN IN CLOSED SESSION