

**MINUTES OF THE
AUGUST 19, 2019
BOARD OF DIRECTORS PUBLIC HEARING AND REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The August 19, 2019 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Visitor's Depot Center located at 6730 Front Street, Rio Linda, CA 95673. General Manager Tim Shaw took roll call of the Board of Directors. Director Harris, Director Jason Green, President John Ridilla, Director Chris Gifford, Director Robert Reisig and General Manager Tim Shaw were present. GM Shaw led the pledge of allegiance.

2. PUBLIC COMMENT

No public comment.

3. PUBLIC HEARING to consider adopting FY 2019/2020 Budgets

- 3.1 Open Public Hearing – Director Ridilla opened the public hearing.
- 3.2 FY 2019-20 Operating and Capital Budget
- 3.3 Public Comment – No Public comment
- 3.4 Close Public Hearing – Director Ridilla closed the public hearing.

3.5 Consider Adoption of Resolution No. 2019-08 FY 2019-20 Operating and Capital Budget.

It was moved by Director Harris and seconded by Director Ridilla to adopt Resolution No. 2019-08 FY 2019-20 Operating and Capital Budget. Directors Green, Harris, Gifford and Reisig and Ridilla voted yes. The motion carried with a roll call vote of 5-0-0.

4. CONSENT CALENDAR

4.1 Minutes

July 15, 2019

4.2 Expenditures

4.3 Financial Reports

It was moved by Director Ridilla and seconded by Director Reisig to approve the consent calendar with the correction of Donna Sullivan in the minutes was CFO not CEO. Directors Green, Harris, Gifford and Reisig and Ridilla voted yes. The motion carried with unanimous vote of 5-0-0.

REGULAR CALENDAR

5. ITEMS FOR DISCUSSION AND ACTION

5.1. General Manager's Report

GM Shaw provided a written report.

No public comment.

The Board made no action on this item

5.2 District Engineer's Report – Mike Vasquez

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

No public comment on this item.

The Board made no action on this item

5.3 Consider authorizing the amount to draw from the Opus Bank loan for construction of Hexavalent Chromium mitigation project(s).

In 2016, the District adopted a rate adjustment which included Surcharge #2 as designated and restricted funding for Hexavalent Chromium mitigation. In February 2018, the Board authorized a municipal financing loan through Opus Bank and all appurtenant terms and documents. The designated source of funding for the Opus Bank loan debt service is Surcharge #2. The loan terms provided for an 18-months draw period, which was very advantageous to the District given the uncertainty of the need and cost of Hexavalent Chromium mitigation projects in February 2018. The end of the draw period is September 1, 2019. Very simply, the District will not have to pay interest on money it does not draw. On or before September 1, 2019, the District must decide how much of the \$3.87 million the District believes it will need to complete the project(s).

If we draw more than we ultimately need, the District will pay 3.28% interest while we wait for the state to readopt the Hexavalent Chromium MCL and the projects to eventually move forward. If the District draws less than it needs to complete project(s), the District may; designate alternative funding, elect to downsize the project, or (drastically) elect to terminate the project(s). If such project termination and/or downsizing is deemed permanent, the District may need to decrease the bimonthly amount of Surcharge #2 or the number of years Surcharge #2 charged to ratepayers.

The \$500,000 (approximate) grant from Regional Water Authority (RWA) and the Department of Water Resources (DWR) is an additional wrinkle affecting the Board's decision on how much of the Opus Bank loan to draw. The grant was originally awarded to the District for a Hexavalent Chromium treatment project at the Well #10 groundwater pumping facility prior to the Court ruling to invalidate the MCL. As uncertainty and timing of the Hexavalent Chromium Maximum Contaminant Level (MCL) has prolonged, while deadlines for grant use came and past, the Board of Director authorized submittal of a request to RWA/DWR for reallocating the grant award to the Well #16 project. Just prior to the August 5th Executive Committee meeting, the District received informal concurrence from RWA and DWR authorizing the District's request to reallocate the \$500,000 grant to the Well #16 project.

If/when the state re-adopts the Hexavalent Chromium MCL, the District will need an estimated \$4.3 million (corresponding roughly to the original \$3.8 million Opus Bank loan plus the \$500,000 DWR grant) to complete both Hexavalent Chromium mitigation projects, Well #16 and Well #10 (or similar well-head treatment). The current issue is timing, and the up-to-the-minute-timing for state re-adoption of the Cr+6 MCL hints of a long, slow process.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Harris to draw up to \$3.4 million from the Opus Bank loan and authorize the General Manager to execute all documents necessary that are favorable to the District to fund the anticipated cost for the Well#16 Groundwater Pumping Station, i.e. postpone funding the Well #10 ion exchange treatment project. Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

5.4 Reconsider the previous Board authorization for the appointed Board Member(s) to attend all ACWA and ACWA-JPIA meetings.

District policy requires Board authorization for Board Member attendance of meetings and conferences. At a Board meeting in 2018, the Board blanket authorized the ACWA/ACWA-JPIA assigned Board Member(s) attendance for all ACWA/ACWA-JPIA meetings and conferences.

The District has expended up to \$10,000 per year in airfare, accommodations, registration, etc. for Board Member attendance for both the spring and fall ACWA conferences. Every other year, the spring ACWA conference is held in Sacramento. Regularly throughout each year, ACWA holds meetings of its Groundwater Committee and Water Quality Committee at the ACWA office facility in Sacramento. Most of the areas relevant to the District are discussed at these committee meetings in Sacramento.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to authorize only the ACWA conferences in Sacramento and on a case-by-case basis for conferences out of town. Director Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

5.5 Consider directing nets steps for adopting RLECWD Strategic Plan.

The District began the strategic planning process over a year ago. The process entailed, among other efforts, obtaining feedback from the Board Members on vision, objectives and goals for the District. Subsequent to the workshops where such Board Member input was obtained, three of the original five Board Members have resigned.

It is reasonable to seek input from new Board Members instead of asking them to endorse the vision and values of the departed Board Members.

President Ridilla recommended planning for a Saturday meeting in September.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Harris to conduct a Doodle poll to determine Directors availability on Saturday to finalize the District's Strategic Plan. Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

5.6 Consider authorizing all Board Members attendance/participation for Rio Linda Elverta Country Faire, September 21, 2019.

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

If more than a quorum of Board Members indicates their interest/availability, it may be prudent to post an agenda for Brown Act compliance, i.e. error on the side of caution.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Harris to approve attendance of any Board Director at the RLE County Faire on September 21, 2019. Directors Green, Harris, Ridilla, Reisig and Gifford voted yes. The motion carried with unanimous vote of 5-0-0.

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

No public comment on this item.

President Ridilla did not make any changes.

6. INFORMATION ITEMS

6.1. DISTRICT ACTIVITY REPORT

1. Water Operations Report
2. Conservation Report

6.2. BOARD REPORTS

1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
2. Regional Water Authority –No meeting this month.
3. Sacramento Groundwater Authority – Harris – Agenda, Executive Summary written report. o meeting this month.
4. LAFCO – Vacant
5. Executive Committee – Harris, Green - Minutes provided.
6. ACWA – Ridilla – No Report
7. ACWA JPIA – Ridilla - No Report
8. Other Reports, e.g.

7. PUBLIC COMMENT PRIOR TO CLOSED SESSION

No public comment on this item.

8. CLOSED SESSION - The Board of Directors will meet in Closed Session to discuss the following item

8.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION – General Manager: The Board will conduct a performance evaluation of the General Manager pursuant to subdivision (b) of California Government Code Section 54957.

9. RECONVENE IN OPEN SESSION

9.1 Announce any reportable actions authorized in Closed Session.

President Ridilla reported that they met with the General Manger Tim Shaw in closed session. Ridilla reported that Mr. Shaw did an exceptional job this past year and an Ad Hoc Committee has been formed with himself and Director Robert Reisig to review possible forms of compensation.

10 DIRECTORS' AND GENERAL MANAGER COMMENTS – No Comments

11 ADJOURNMENT

Direct Ridilla adjourned the meeting at 7:35p.m.

Respectfully submitted,

Signature on File
Timothy R. Shaw, Secretary

Signature on File
John Ridilla, President of the Board