

**MINUTES OF THE JANUARY 25, 2021
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The January 25, 2021 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. via Zoom Video Conference. This meeting was held in accordance with executive order n-29-20, issued by California governor Gavin Newsom on March 17, 2020, the Ralph M. Brown act (California government code section 54950, et seq.), and the federal Americans with disabilities act. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, Director Chris Gifford, Director Ridilla and General Manager Tim Shaw, and Legal Counsel Kerry Fuller were present.

2. PUBLIC COMMENT

3. CONSENT CALENDAR

3.1 Minutes – December 22, 2020

3.2 November Expenditures

3.3 November Financial Reports

No public comment.

It was moved by Director Harris and seconded by Director Ridilla to approve the Consent Calendar. Directors Green, Reisig, Ridilla, Gifford and Harris voted yes. The motion carried with unanimous roll call vote of 5-0-0.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1 General Manager's Report

GM Shaw provided a written report.

No public comment on this item.

The Board made no action on this item.

4.2 District Engineer's Report – Mike Vasquez

Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering, Well 16 Pumping Station Construction Project and 2020/2021 CIP Pipeline Replacement Project RFP (Dry Creek Road North).

No public comment on this item.

The Board made no action on this item.

4.3 Consider adopting Resolution 2021-01, authorizing an internal loan expressly to reduce the CalPERS Unfunded Accrued Liability (UAL).

Dr. Anna Sarabian of Fieldman Rolapp provided a detailed presentation analysis of 8 scenarios, all with the objective of reducing the CalPERS Unfunded Accrued Liability (UAL), thereby reducing the

District's annual UAL payments to CalPERS and reducing the total amount of interest charged to the District over the amortized period for the UAL.

The Executive Committee thoroughly explored the pros and cons of each scenario. In the end, the Committee agreed with Dr. Sarabian's recommended scenario, Scenario # 2 in the Fieldman Rolapp.

Scenario #2 is a one-time, upfront, \$500,000 additional discretionary payment to CalPERS. The source of the funding would be from the current funding for the District's Capital Improvement Projects fund. The most symbiotic project in the Board approved Capital Improvement Projects for this purpose is the Well 12A project, which has accumulated a substantive level of funding and is scheduled to begin construction 15 years from now.

The Executive Committee further discussed the mechanisms necessary to execute Scenario #2. The Committee directed staff to draft Resolution No. 2021-01 for Board consideration. Resolution 2021-01 authorizes the internal loan, further authorizes and directs staff on the prescribed additional discretionary payment to CalPERS, and stipulates the terms of the internal loan via Exhibit A to Resolution 2021-01. This Resolution has been reviewed by Legal Counsel and Legal Counsel's suggested edits have been incorporated into the Resolution.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to adopt Resolution No. 2021-01 authorizes the internal loan, further authorizes and directs staff on the prescribed payment to CalPERS . Directors Reisig, Harris, Ridilla, Gifford and Green voted yes. The motion carried with unanimous roll call vote of 5-0-0.

4.4 Consider authorizing the purchase of a number (to be stipulated by the Board) of Innov8 water meter registers for phase 2 pilot testing of customer consumption data program.

Phase 1 of the Innov8 / Waterscope pilot test continues to be an overwhelming success. The 5 devices already purchased have performed as promised and this scalable consumption data option appears to be a good fit for the District's needs as the foreseeable increased focus on consumption draws nearer.

The next phase of the pilot testing is needed to evaluate the Innov8 / Waterscope compatibility with the District's current billing software, Continental Utility Solutions Inc. (CUSI). A substantial degree of resources will be expended for the billing software integration. This makes the economy of scale relevant, i.e., doing so for only 5-customers is irrational.

Accordingly, the Board should consider authorizing the upfront purchase of additional units for Phase 2. Each unit costs \$300 and includes 10-years of software (Waterscope) usage. To illustrate, if the District authorizes the purchase of 50-units, at a cost of \$15,000, the District would have 10-years of service from the 55 units (5 from Phase 1). If the billing software integration is satisfactory and the District proceeds to the full implementation phase, those 55-units would be the first units offered to customers who enroll in the consumption data service and agree to pay the recurring fee, e.g. \$5 per billing cycle. At that fee, the District would be repaid for the initial investment in 10-years, which is the life expectancy of each unit. If more than 55 customers enroll, the District will need to purchase additional units. Ergo the scalability of the Innov8 option vs. the non-scalability of WaterSmart and DropCounter, both of which charge full price regardless of the number of customers enrolled.

Included with the Board packets is the Innov8 Warranty including Terms and Conditions. If the Board authorizes the purchase of additional units, the Board should also accept the Terms and Conditions.

It was moved by Director Ridilla and seconded by Director Harris to table the purchase of the Innov8 meters until the District Staff has time to gather more information. The Directors agreed.

4.5 Consider customer request for Board review of billing issues.

This request for waiver of the \$5 reminder notice fee. In and of itself, the request is innocuous. However, the handwritten letter attached to the request is another matter.

Director Harris requested to cover the customers late fee rather than have the District waive the late fee.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to credit the customers \$5. Directors Reisig, Harris, Ridilla voted yes. Directors Green and Gifford voted no. The motion carried with a roll call vote of 3-2-0.

4.6 Consider approving the Comprehensive Annual Financial Report (CAFR) for fiscal year 2019/2020.

The CAFR is a report that discloses data on the District’s financial position and operations in a manner designed to enable the reader to gain an understanding of the District’s financial activities. This report includes the independent auditor’s report, management discussion, statistical data, regional economic data and compliance report. Several members of staff and management compiled the information being represented in this report and we feel it fairly represents the financial position of the District.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Gifford to approve the Comprehensive Annual Financial Report (CAFR). Directors Reisig, Harris, Ridilla, Gifford and Green voted yes. The motion carried with unanimous roll call vote of 5-0-0.

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

No public comment on this item - **The Board took no action on this item.**

5 INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- 5.1.1. Water Operations - Report provided.
- 5.1.2. Conservation - Report Provided.
- 5.1.3 Completed and Pending Items Report- Report provided.

5.2. 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, Reisig.
- 5.2.3. Sacramento Groundwater Authority (RWA and SCGA) 3x3- Reisig- No Meeting.
- 5.2.4 Executive Committee – Green, Reisig - Minutes provided.
- 5.2.4. ACWA/JPIA – Ridilla - No Report

6. DIRECTORS’ AND GENERAL MANAGER COMMENTS –

7. ADJOURNMENT

Director Green adjourned the meeting at 8:22 p.m.
Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board