

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

September 19, 2022 (6:30 p.m.)

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

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

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

August 15, 2022 and August 26, 2022

The Board is being asked to approve the Minutes from the August 15, 2022 Regular Board Meeting and August 26, 2022 Special Meeting.

3.2. Expenditures

The Executive Committee recommends the Board approve the July 2022 Expenditures.

3.3. Financial Reports

The Executive Committee recommends the Board approve the July 2022 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. District Engineer’s Report.

4.2.1. *The Contract District Engineer will provide his monthly report to the Board of Directors.*

4.3. Consider Approving a budget revision for Fiscal Year 2022-2023.

4.4. Consider Approving the Governmental Accounting Standards Board Statement 75 (GASB-75) Actuarial Statement.

4.5. Consider Approving the Professional Services Agreement with Maze & Associates for Independent Auditing Services.

4.6. Consider Approving an Engagement Agreement with White Brenner LLP for General Legal Services.

4.7. Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065.

4.7.1.MOU Reopener for Cost of Living Adjustment Ad Hoc Committee.

4.7.2.General Manager Annual Performance Review Ad Hoc Committee.

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.Conservation Report

5.1.4.Leak Repair Report

5.1.5.Trend of Mandates for Water Purveyors

5.1.6. State Water Board Report on Water Fees Increases

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, Ridilla

5.2.4.ACWA/JPIA – Ridilla

6. DIRECTORS’ AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT –

Upcoming meetings:

Executive Committee

October 3, 2022, Monday, 6:00 pm. Visitors / Depot Center, 6730 Front St. Rio Linda, CA

Board Meeting

October 17, 2022, Monday, 6:30 pm. Visitors / Depot Center, 6730 Front St. Rio Linda, CA



**Consent Calendar
Agenda Item: 3.1**

Date: September 19, 2022

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 _____

Ridilla:____ Harris:____ Jason Green____ Gifford_____.

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

**MINUTES OF THE AUGUST 15, 2022
BOARD OF DIRECTORS PUBLIC HEARING AND REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

2

1. CALL TO ORDER, ROLL CALL

The August 15, 2022 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 will be physically open to the public with some reasonable limitations pursuant to current state and county guidelines. All in-person attendees are required to wear masks pursuant to the Sacramento County public health order and the federal Americans with disabilities act. Director Harris led the pledge of allegiance.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director John Ridilla, Director Chris Gifford, Director Mary Harris, General Manager Tim Shaw, District Engineer, Mike Vasquez, and Barbara Brenner, Legal Counsel were present.

2. PUBLIC COMMENT – Public member passed out a piece of paper with a list of questions to all the Board members, GM, and legal counsel. Public member asked about the money not being spent on envelopes, and newsletters.

Director Ridilla commented that GM Shaw is the secretary of the Board so he will continue to do the minutes for the Executive Committee.

3. PUBLIC HEARING to adopt the 2020 update to the Water Shortage Contingency Plan

3.1. President Green – Opened the Public Hearing

3.2. 2020 Water Shortage Contingency Plan – GM Shaw stated all notice requirements have been met on this item.

3.3. Public Comment – Public member stated she spoke with the County offices to obtain information and that there was no mention in the document provided about the watering of trees. Trees are important to the environment and should be included in Ordinance.

3.4. Close Public Hearing

3.5. Consider Adoption of Ordinance 2022-01 to approve the 2020 Update to the Water Shortage Contingency Plan (WSCP)

It was moved by Director Harris and seconded by Director Gifford to adopt Ordinance 2022-01 update of the 2020 Water Shortage Contingency Plan (WSCP) and to amend the whereas clause to include the watering of trees. Directors Green, Harris, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

4. PUBLIC HEARING to adopt the Fiscal Year 2022-23 Operating and Capital Improvements Budgets

4.1. President Green - Opened Public Hearing

4.2. FY 2022-23 Operating and Capital Improvement Budgets

4.3. Public Comment – Public member commented about miscalculations with the numbers in the budget. Public member commented about the differences in the Surcharge numbers. Members of the public asked about the terms of the surcharge loan terms.

4.4. Close Public Hearing

4.5. Consider Adoption of Resolution No. 2022-07 to approve the Fiscal Year 2022-23 Operating and Capital Improvement Budgets

It was moved by Director Ridilla and seconded by Director Gifford to adopt Resolution No. 2022-07 FY 2022-23 Operating and Capital Improvement Budgets. Directors Green, Gifford and Ridilla voted yes. Director Harris abstained. The motion carried with a roll call vote of 3-0-1.

5. CONSENT CALENDAR

5.1. Minutes July 18, 2022

5.2 June Expenditures

5.3 June Financials

It was moved by Director Ridilla and seconded by Director Green to approve the consent calendars. Directors Green, Harris, Gifford and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

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

6.1 GM Report.

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

The Board took no action on this item.

6.2 District Engineer's Report.

The Contract District Engineer report provided a General District Engineering, Active Development Reviews (only projects with updates from the last Board Meeting), CIP Dry Creek Road Pipe Replacement Project and 2020 Urban Water Management Plan.

The Board took no action on this item.

6.3 Consider Approving a Professional Services Agreement (small scope) with Johnson Construction Company for raising valve boxes at Elkhorn and Rio Linda Blvd.

As further detailed in the Executive Committee minutes, the staff update on this item included a draft professional services agreement with a properly licensed and experienced services provider. The contract amount for raising valve boxes associated with the Sacramento County road work at Elkhorn and Rio Linda Blvd is below the bidding threshold stipulated in District policy.

Comments/Questions – No public comment.

It was moved by Director Harris and seconded by Director Ridilla to approve the Professional Services Agreement with Johnson Construction Company for raising valve boxes at Elkhorn and Rio Linda Blvd. Directors Green, Gifford, Harris and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

6.4 Consider Adopting New Policy 2.01.155, which would provide computer tablets to Board Members to digitally review board meeting document packets prior to and during board meetings.

The Executive Committee discussed the cost avoidance potential for reducing or eliminating the number of printed hardcopy packets currently being delivered to Board Members for Board and Committee meetings. For example, the approximate cost for printing the packets in July 2022 was \$25 per Board Member. Additional staff time and vehicle operating cost are expended for printing, sorting, packaging and delivery.

The approximate Return on Investment (ROI) for replacing the above-described hardcopy delivery process with a tablet computer is less than 6-months. In other words, after 6-months of NOT printing meeting packets for a participating Board Member, the cost of a Kindle Fire HD 10 (\$150 retail) would be saved in printing costs avoidance alone.

The Executive Committee further discussed whether the policy should be mandatory or voluntary and whether a Board Member could use his/her own laptop or tablet computer. Accordingly, those elements are addressed in the draft new policy, 2.01.155.

Comments/Questions – Public member submitted a list of question on this item. GM Shaw answered the questions and some of the answers were contained in the staff report.

It was moved by Director Harris and seconded by Director Ridilla to decline the New Policy 2.01.155 and keep it status quo. The motion carried with a roll call vote of 3-1-0.

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6.5 Consider Customer Requests for Board Review of Billing Issues (3 separate requests).

District policy provides for a means for customers to request Board consideration of billing issues. The process entails the use of a form to submit the request. This month, staff received three such requests.

The common thread among these three requests, which should each be considered individually, is the customers complaints about the inoperable meter rate. The number of inoperable meters has recently increased due to supply chain issues (see printed email associated with this item). We ordered some meters in April and the meter company estimates the current backlog will last until 2023.

The inoperable meter rate was implemented with the rate restructuring, Prop 218 rate adjustment completed in August 2021. The inoperable meter rate uses the average consumption of all residential customers as a basis for the bimonthly rate. If a customer routinely uses more water than the average customer, the inoperable meter rate will under-charge that customer. Conversely, a customer regularly uses less water than the average customer will be overcharged with the inoperable rate.

One means of addressing this supply chain induced dilemma is to offer customers whose consumption data prior to the inoperable meter condition documents that customer uses less than average water volumes a reduction in their bill. The reduction in the bill should be approximately equal to the difference between the inoperable meter rate and the bill they might have received if the meter remained operable and that customer's consumption remained as it had been before the meter inoperability.

In light of the supply chain issues, where it's likely to be months before the District received replacement 5/8 and 3/4 inch meters, and If the Board supports such an approach, one of the motions the Board could consider would be blanket authorization for staff to perform the above-described adjustment where the facts and circumstances support doing so, i.e., when the customer has a history of below average consumption.

Comments/Questions – Public member commented that he was overcharged. Public member commented on the Neptune devices reading non-working devices. Public member commented on meter lifespan and when they are changed out. Public member commented that her neighbor had to pay for their meter. Public member commented that the delinquent history on the customer dispute form should not be included in the packet.

It was moved by Director Ridilla and seconded by Director Gifford that the GM be allowed to review future customers billing history who were charged the inoperable meter rate and adjust accordingly based on past consumption. Directors Green, Harris, Gifford, and Ridilla voted yes. The motion carried with a roll call vote of 4-0-0.

6.6 Authorize any New Board Member Assignments (committees and other) Proposed by the Chair Pursuant to District Policy 2.01.065.

No new assignments.

7. INFORMATION ITEMS

7.1 District Activities Reports

- 7.1.1 Water Operations Report – Written report provided.
- 7.1.2 Completed and Pending Items Report – Written report provided.
- 7.1.3 Conservation Report – Written report provided.
- 7.1.4 Leak Repair Report – Report provided.
Public member commented on the Operations report and meter change out report.

7.2 Board Member Report

- 7.2.1 Report any ad hoc committees dissolved by requirements in Policy 2.01.065 – No action taken.

7.2.2 Sacramento Groundwater Authority – Harris (primary) – Agenda Provided. Verbal report from Director Harris.

7.2.3 Executive Committee – Gifford, Ridilla – Minutes provided.

7.2.4 ACWA/JPIA – Ridilla – No report.

8. **Public Comment Prior to Closed Session** – No public comment.

9. **CLOSED SESSION - The Board of Directors will meet in closed session to discuss the following item:**

9.1. **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.

10. **RECONVENE IN OPEN SESSION – President Green stated no reportable action taken.**

11. **DIRECTORS' AND GENERAL MANAGER COMMENTS** – Director Ridilla stated he would not be attending the next Executive Committee meeting that he would be in France.

12. **ADJOURNMENT** - The meeting was adjourned at 8:20pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board

**MINUTES OF THE AUGUST 26, 2022
BOARD OF DIRECTORS SPECIAL BOARD MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

4

1. CALL TO ORDER, ROLL CALL

The August 26, 2022 Special Meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 4:30 p.m. via Zoom. This meeting will not be physically open to the public. All members of the public may participate in the meeting via video conference or by telephone and will be given the opportunity to provide public comment, limited to only items on the agenda.

General Manager Tim Shaw took roll call of the Board of Directors. Director Jason Green, Director John Ridilla, Director Chris Gifford, Director Mary Harris, General Manager Tim Shaw, Sher Edling LLP were present via zoom.

2. PUBLIC COMMENT PRIOR TO CLOSED SESSION – No public attendees.

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

3.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (Pursuant to paragraph (1) of subsection (d) of Government Code Section 54956.9)

One Case: *Rio Linda Elverta Community Water District v. United States*, Case No. 2:17-cv-01349

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

The Board returned to open session at 4:58. The Chair reported that Legal Counsel has been directed.

5. ADJOURNMENT - The meeting was adjourned at 5:00pm.

Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: September 19, 2022

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the months of June 2022

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 June 2022.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____.

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

**Rio Linda Elverta Community Water District
Expenditure Report
July 2022**

Type	Date	Num	Name	Memo	Amount
Liability Check	07/13/2022	EFT	QuickBooks Payroll Service	For PP Ending 06/26/22 Pay date 07/09/22	18,775.40
Liability Check	07/14/2022	EFT	CalPERS	For PP Ending 06/26/22 Pay date 07/09/22	3,022.29
Liability Check	07/14/2022	EFT	CalPERS	For PP Ending 06/26/22 Pay date 07/09/22	1,147.92
Liability Check	07/14/2022	EFT	Internal Revenue Service	Employment Taxes	7,380.80
Liability Check	07/14/2022	EFT	Employment Development	Employment Taxes	1,510.26
Liability Check	07/14/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,317.14
Bill Pmt -Check	07/14/2022	EFT	Adept Solutions	Computer Maintenance	1,208.00
Check	07/14/2022	EFT	CalPERS	Annual CalPERS Unfunded Accrued Liability Contribution	58,216.00
Bill Pmt -Check	07/14/2022	EFT	Comcast	Phone/Internet	366.76
Bill Pmt -Check	07/14/2022	EFT	PG&E	Utilities	52.90
Bill Pmt -Check	07/14/2022	EFT	Umpqua Bank Credit Card	Computer, Distribution, Office, Postage, Safety, Uniforms	3,328.46
Bill Pmt -Check	07/14/2022	EFT	Voyager Fleet	Transportation Fuel	353.79
Check	07/14/2022	EFT	RLECWD	Umpqua Bank Monthly Debt Service Transfer	17,000.00
Transfer	07/14/2022	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	49,500.00
Check	07/14/2022	2164	Sacramento County Clerk	Permits & Fees	100.00
Check	07/14/2022	2165	Teamsters	Union Dues	720.00
Check	07/14/2022	2166	Customer	Final Bill Refund	55.79
Check	07/14/2022	2167	Customer	Final Bill Refund	57.51
Check	07/14/2022	2168	Customer	Final Bill Refund	100.00
Check	07/14/2022	2169	Customer	Final Bill Refund	100.00
Check	07/14/2022	2170	Customer	Hydrant Meter Deposit Refund	1,000.00
Check	07/14/2022	2171	Customer	Final Bill Refund	122.59
Check	07/14/2022	2172	Customer	Final Bill Refund	53.99
Check	07/14/2022	2173	Customer	Final Bill Refund	46.68
Check	07/14/2022	2174	Customer	Final Bill Refund	69.61
Bill Pmt -Check	07/14/2022	2175	ABS Direct	Printing	1,191.93
Bill Pmt -Check	07/14/2022	2176	ACWA/JPIA Powers Insurance Authority	EAP	23.80
Bill Pmt -Check	07/14/2022	2177	Affordable Heating & Air	Pumping Maintenance	225.00
Bill Pmt -Check	07/14/2022	2176	BSK Associates	Lab Fees	635.00
Bill Pmt -Check	07/14/2022	2177	Buckmaster Office Solutions	Office Equipment	41.33
Bill Pmt -Check	07/14/2022	2178	California Rural Water Association	Membership Dues	1,435.00
Bill Pmt -Check	07/14/2022	2181	Chacon, Socorro	Notary	160.00
Bill Pmt -Check	07/14/2022	2182	Corelogic Solutions	Metro Scan	134.75
Bill Pmt -Check	07/14/2022	2183	DirectHit Pest Control	Building Maintenance	80.00
Bill Pmt -Check	07/14/2022	2184	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	07/14/2022	2185	Elk Grove Security Systems	Security	84.00
Bill Pmt -Check	07/14/2022	2186	Ferguson Enterprises	AMI 360 Annual Support Maintenance	13,230.00
Bill Pmt -Check	07/14/2022	2187	GM Construction & Developers	Contract Repairs	2,775.83
Bill Pmt -Check	07/14/2022	2188	ICONIX Waterworks	Distribution Supplies	758.56
Bill Pmt -Check	07/14/2022	2189	Inductive Automation	Basic Care Annual Support Maintenance	2,472.00
Bill Pmt -Check	07/14/2022	2190	Intermedia.net	Telephone	81.73
Bill Pmt -Check	07/14/2022	2191	Johnson Controls Fire Protection	Safety	479.49



**Rio Linda Elverta Community Water District
Expenditure Report
July 2022**

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	07/14/2022	2192	Messenger Publishing Group	Publishing	460.00
Bill Pmt -Check	07/14/2022	2193	Phelan, Michael	Retiree Insurance	3,150.00
Bill Pmt -Check	07/14/2022	2194	Rio Linda Elvertas Recreation & Park	Meeting Expense	50.00
Bill Pmt -Check	07/14/2022	2195	Rio Linda Hardware & Building Supply	Shop Supplies	376.02
Bill Pmt -Check	07/14/2022	2196	Special District Risk Management Authority	Workers Compensation Insurance 2022-23	13,029.10
Bill Pmt -Check	07/14/2022	2197	Sierra Chemical Company	Chemical Supplies	3,310.56
Bill Pmt -Check	07/14/2022	2198	SMUD	Utilities	23,249.85
Bill Pmt -Check	07/14/2022	2199	Spok, Inc.	Field Communication	15.42
Bill Pmt -Check	07/14/2022	2200	UniFirst Corporation	Uniforms	349.24
Bill Pmt -Check	07/14/2022	2201	USA BlueBook	Chemical Supplies; Safety	2,246.66
Bill Pmt -Check	07/14/2022	2202	Vanguard Cleaning Systems	Janitorial	195.00
Bill Pmt -Check	07/14/2022	2203	White Brenner LLP	Legal: May & June 2022	1,926.80
Liability Check	07/27/2022	EFT	QuickBooks Payroll Service	For PP Ending 07/23/22 Pay date 07/28/22	18,337.14
Liability Check	07/28/2022	EFT	CalPERS	For PP Ending 07/23/22 Pay date 07/28/22	2,992.68
Liability Check	07/28/2022	EFT	CalPERS	For PP Ending 07/23/22 Pay date 07/28/22	1,147.92
Liability Check	07/28/2022	EFT	Internal Revenue Service	Employment Taxes	6,980.22
Liability Check	07/28/2022	EFT	Employment Development	Employment Taxes	1,365.18
Liability Check	07/28/2022	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,336.26
Bill Pmt -Check	07/17/2022	EFT	ARCO	Transportation Fuel	1,017.32
Liability Check	07/21/2022	EFT	Kaiser Permanente	Health Insurance	1,777.00
Liability Check	07/21/2022	EFT	Principal	Dental & Vision Insurance	1,724.51
Liability Check	07/21/2022	EFT	Western Health Advantage	Health Insurance	10,909.42
Check	07/24/2022	EFT	Wageworks	FSA Administration Fee	76.25
Bill Pmt -Check	07/28/2022	EFT	Verizon	Field Communication, Field IT	528.71
Check	07/28/2022	EFT	RLECWD - SURCHARGE ACCOUNT 1	Bi-monthly Transfer	87,851.48
Check	07/28/2022	EFT	RLECWD - SURCHARGE ACCOUNT 2	Bi-monthly Transfer	73,055.50
Check	07/28/2022	2204	Citizens Business Bank	Meter Loan Payment	29,256.96
Check	07/28/2022	2205	Customer	Final Bill Refund	341.91
Check	07/28/2022	2206	Customer	Final Bill Refund	110.93
Check	07/28/2022	2207	Customer	Final Bill Refund	45.32
Check	07/28/2022	2208	Customer	Final Bill Refund	18.26
Check	07/28/2022	2209	Customer	Plan Check Fee Refund	100.00
Check	07/28/2022	2210	Customer	Final Bill Refund	104.52
Bill Pmt -Check	07/28/2022	2211	ACWA/JPIA Powers Insurance Authority	Workers Compensation Premium 2022/2023	11,799.34
Bill Pmt -Check	07/28/2022	2212	Affordale Heating & Air	Pumping Maintenance	350.00
Bill Pmt -Check	07/28/2022	2213	Buckmaster Office Solutions	Office Equipment	75.60
Bill Pmt -Check	07/28/2022	2214	County of Sacramento-Environmental	Permit	1,068.00
Bill Pmt -Check	07/28/2022	2215	LEC Corporation	L Street Reservoir Maintenance	3,410.00
Bill Pmt -Check	07/28/2022	2216	Quill	Office Expense	10.23
Bill Pmt -Check	07/28/2022	2217	RW Trucking	Distribution Supplies	735.75
Bill Pmt -Check	07/28/2022	2218	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	07/28/2022	2219	Sacramento Groundwater Authority	Annual Membership Dues	30,777.00

**Rio Linda Elverta Community Water District
Expenditure Report
July 2022**

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	07/28/2022	2220	Staples	Office Expense	215.49
Bill Pmt -Check	07/28/2022	2221	Underground Service Alert of No CA & NV	Annual Membership Dues	1,480.13
Bill Pmt -Check	07/28/2022	2222	Unifirst Corporation	Uniforms	307.15
Total 10000 - Bank - Operating Account					<u>534,192.84</u>





**Consent Calendar
Agenda Item: 3.3**

Date: September 19, 2022

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Districts Financial Reports for the month of July 2022.

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 in order to inform them of the District’s current financial condition.

Conclusion:

I recommend the Board approve the Financial Reports for July 2022.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____.

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

Rio Linda Elverta Community Water District
Balance Sheet
 As of July 31, 2022

9

ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 1,242,061.56

Total 10000 · Operating Account 1,242,061.56

10475 · Capital Improvement

10480 · General 384,401.16

10481 · Cr6 Mitigation 454,500.00

10485 · Vehicle Replacement Reserve 17,948.49

Total 10450 · Capital Improvement 856,849.65

10490 · Future Capital Imp Projects 1,710,383.90

Total 100 · Cash & Cash Equivalents 3,809,295.11

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 503,496.22

10300 · Surcharge 1 Account 793,186.06

10350 · Umpqua Bank Debt Service 51,329.72

10380 · Surcharge 2 Account 282,072.49

10385 · OpusBank Checking 557,856.37

Total 102.2 · Restricted for Debt Service 2,187,940.86

102.4 · Restricted Other Purposes

10600 · LAIF Account 411,558.45

10650 · Operating Reserve Fund 309,153.09

Total 102.4 · Restricted Other Purposes 720,711.54

Total 102 · Restricted Assets 2,908,652.40

Total Checking/Savings 6,717,947.51

Accounts Receivable 219,616.66

Other Current Assets

12000 · Water Utility Receivable 810,793.24

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 699.29

15000 · Inventory Asset 50,044.54

16000 · Prepaid Expense 101,649.73

Total Other Current Assets 963,186.80

Total Current Assets 7,900,750.97

Fixed Assets

17000 · General Plant Assets 660,808.50

17100 · Water System Facilites 24,938,800.63

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -10,472,675.54

18000 · Construction in Progress 424,288.05

18100 · Land 576,673.45

Total Fixed Assets 16,500,938.51

Other Assets

18500 · ADP CalPERS Receivable 470,000.00

19000 · Deferred Outflows 729,108.00

19900 · Suspense Account 20.29

Total Other Assets 1,199,128.29

TOTAL ASSETS 25,600,817.77

Rio Linda Elverta Community Water District

Balance Sheet

As of July 31, 2022

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	192,256.12
Credit Cards	72.00
Other Current Liabilities	939,270.70

Total Current Liabilities	1,131,598.82
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Long Term Liabilities

23000 · OPEB Liability	81,433.00
23500 · Lease Buy-Back	558,032.27
25000 · Surcharge 1 Loan	3,094,197.71
25050 · Surcharge 2 Loan	2,325,040.16
26000 · Water Rev Refunding	1,506,424.00
26500 · ADP CalPERS Loan	440,000.00
27000 · Community Business Bank	140,123.22
29000 · Net Pension Liability	1,117,944.00
29500 · Deferred Inflows-Pension	39,277.00
29600 · Deferred Inflows-OPEB	74,020.00

Total Long Term Liabilities	9,376,491.36
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Total Liabilities	10,508,090.18
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Equity

31500 · Invested in Capital Assets, Net	8,593,770.46
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted Equity	5,431,782.08
Net Income	361,949.81

Total Equity	15,092,727.59
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TOTAL LIABILITIES & EQUITY	25,600,817.77
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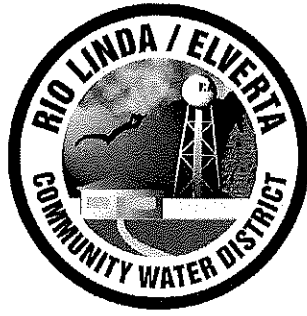
Rio Linda Elverta Community Water District
 Operating Profit & Loss Budget Performance
 As of July 31, 2022

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	<u>Annual Budget</u>	<u>Jul 22</u>	<u>Jul 22-Jun 23</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	3,040,800.00	228,522.67	228,522.67	7.52%	2,812,277.33
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.01	3.01	8.60%	31.99
Surcharge Total 41110 · Investment Revenue	35.00	3.01	3.01	8.60%	31.99
41120 · Property Tax	109,100.00	0.00	0.00	0.00%	109,100.00
Total 41000 · Nonoperating Revenue	109,135.00	3.01	3.01	0.00%	109,131.99
Total Income	3,149,935.00	228,525.68	228,525.68	7.26%	2,921,409.32
Gross Income	3,149,935.00	228,525.68	228,525.68	7.26%	2,921,409.32
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	108,200.00	0.00	0.00	0.00%	108,200.00
60100 · Personnel Services					
60110 · Salaries & Wages	810,243.00	48,581.46	48,581.46	6.00%	761,661.54
60150 · Employee Benefits & Expense	496,340.00	27,335.36	27,335.36	5.51%	469,004.64
Total 60100 · Personnel Services	1,306,583.00	75,916.82	75,916.82	5.81%	1,230,666.18
60200 · Administration	236,186.00	47,472.26	47,472.26	20.10%	188,713.74
64000 · Conservation	300.00	0.00	0.00	0.00%	300.00
65000 · Field Operations	544,630.00	22,790.30	22,790.30	4.19%	521,839.70
Total 60000 · Operating Expenses	2,195,899.00	146,179.38	146,179.38	6.66%	2,049,719.62
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	152,273.00	0.00	0.00	0.00%	152,273.00
69110 · Interest	48,650.00	0.00	0.00	0.00%	48,650.00
Total 69100 · Revenue Bond	200,923.00	0.00	0.00	0.00%	200,923.00
69125 · AMI Meter Loan					
69130 · Principle	52,948.00	26,652.61	26,652.61	50.34%	26,295.39
69135 · Interest	5,566.00	2,604.35	2,604.35	46.79%	2,961.65
Total 69125 · AMI Meter Loan	58,514.00	29,256.96	29,256.96	50.00%	29,257.04
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,739.00	0.00	0.00	0.00%	1,739.00
Total 69100 · PERS ADP Loan	31,739.00	0.00	0.00	0.00%	31,739.00
Total 69010 · Debt Service	291,176.00	29,256.96	29,256.96	10.05%	261,919.04
69400 · Other Non-Operating Expense	3,000.00	0.00	0.00	0.00%	3,000.00
Total 69000 · Non-Operating Expenses	294,176.00	29,256.96	29,256.96	9.95%	264,919.04
Total Expense	2,490,075.00	175,436.34	175,436.34	7.05%	2,314,638.66
Net Ordinary Income	659,860.00	53,089.34	53,089.34		
Net Income	659,860.00	53,089.34	53,089.34		

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2022-23
 As of July 31, 2022

	GENERAL		FUTURE CAPITAL IMPROVEMENT PROJECTS		VEHICLE & LARGE EQUIPMENT REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
FUNDING SOURCES						
Fund Transfers						
Operating Fund Transfers In	594,000.00	49,500.00	-	-	-	-
CIP Fund Intrafund Transfers	(371,737.00)	-	361,737.00	-	10,000.00	-
PERS ADP Loan Payment						
Principle			30,000.00	-		
Interest			1,739.00	-		
Investment Revenue	85.00	7.10	110.00	-	-	-
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	-	-	478,844.00	-	-	-
Total B - WATER DISTRIBUTION	155,000.00	-	478,844.00	-	-	-
M - GENERAL PLANT ASSETS						
M-1 - Urban Water Management Plan	50,000.00	50,000.00	-	-	-	-
Total M - GENERAL PLANT ASSETS	50,000.00	50,000.00	-	-	-	-
TOTAL BUDGETED PROJECT EXPENDITURES	245,000.00	50,000.00	478,844.00	-	-	-



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

Date: September 19, 2022
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 _____

Ridilla: ____ Harris: ____ Jason Green ____ Gifford ____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Date: September 19, 2022

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: Demands for resources associated with unanticipated employee unavailability substantively influenced District capabilities for this reporting period.

1. On August 16th, staff and the Chair participated in a hybrid staff meeting for discussion of Board actions and comments at the prior evening's Board meeting. Some staff expressed frustration regarding the Board adopted policy to mitigate the trend of inoperable meters caused by supply chain issues.
2. On August 22nd (5:30 P.M. to 8:00 P.M.), I participated in the Sacramento County Planning Commission meeting, where Elverta Specific Plan and new state laws regarding lot splits for affordable housing were discussed.
3. On August 23rd I met with specialty Legal Counsel regarding ongoing litigation. Specialty Legal Counsel requested the Board Chair schedule a special meeting, (which subsequently occurred on August 26th).
4. On August 23rd (afternoon) , I met with our medical, dental, vision insurance broker to discuss timing and mode of the annual insurance renewal meeting with employees.
5. On August 25th, I participated in a meeting with other water agencies and the Association of California Water Agencies (ACWA) having organized opposition to SB 222.
6. On August 26th, special Board meeting regarding ongoing litigation.
7. On August 31st and September 1st, I was unexpectedly unavailable to work in the office. However, I did work a few hours from home to complete the meeting agenda and documents for the September 6th Executive Committee meeting.
8. On September 7th, I participated in a meeting of the Water Forum, Water Caucus. The process is entering the substantive stages, where negotiations with the Environmental Caucus, the Government Caucus, and the Business Caucus begin. There was considerable debate regarding the assignment and process for the designated negotiators for the Water Caucus.

9. On September 8th, the Contract District Engineer, the Operations Superintendent and I met to discuss ongoing projects at the District.

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

- Completing and submitting all the forms and data sets necessary for Sacramento County Direct Levy.
- Interacting with White Brenner regarding the July invoice and exchanging drafts of an engagement agreement.
- Corresponding with Sacramento County Planning and Environmental Review staff regarding Elverta Specific Plan.

Costs due to inflation have reportedly plateaued. The latest iteration of increased operating cost is from the State Water Board, who announced intentions to increase water fees by 14%.



Items for Discussion and Action
Agenda Item: 4.2

Date: September 19, 2022
Subject: Contract District Engineer's Report
Staff Contact: Mike Vasquez, Contract District Engineer

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

The Contract District Engineer 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 _____

Ridilla:____ Harris:____ Jason Green ____ Gifford____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

13 September 2022

DISTRICT ENGINEER'S REPORT

To: Tim Shaw, General Manager, Rio Linda / Elverta Community Water District
From: Mike Vasquez, PE, PLS, Principal (EKI), Contract District Engineer (RL/ECWD)
Subject: District Engineer's Report for the 19 September 2022 Board of Directors Meeting

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 10 August 2022 to 13 September 2022:

1. General District Engineering:

- As directed by the Board of Directors on 8/15/22, executed an agreement with construction contractor Johnson Construction Company (JCC) to adjust water valve frames and covers to grade on Elkhorn Blvd. and Rio Linda Blvd. as part of Sacramento County's roadway paving project. The County's paving contractor completed asphalt installation the week of 8/29/22. JCC began water valve frame and cover adjustments on 9/9/22 and completed work on 9/12/22.
- Submitted generator permit information to the Sacramento Metropolitan Air Quality Management District for the Well 16 Pump Station as requested by RWA.

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

- Fox Hollow Residential Development (28 lots 6th Street between Q Street and S Street): Operations staff has installed meters at 16 lots to date. House construction is progressing steadily. It is anticipated that all houses will be constructed by June 30, 2023, likely much sooner.

3. CIP Dry Creek Road Pipe Replacement Project:

- Staff received notice from the County of Sacramento Department of Transportation on 9/13/22 that their review process for the District's construction contractor to begin work is complete. The County will send the District an invoice for review fees, and once paid by the District, the County will send a formal notice of approval. Staff anticipates the invoice will be received and paid the week of 9/19, and the notice of approval will be received the same week. Staff also anticipates that construction will begin this month and will be completed by winter.

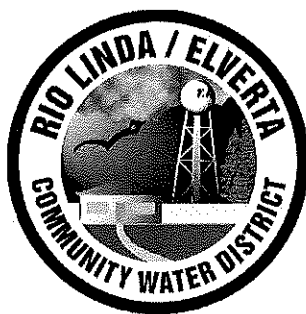
4. 2020 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP):

- The UWMP and WSCP as adopted by the Board of Directors on 7/18/22 and 8/15/22 respectively, were successfully submitted to the Department of Water Resources (DWR), Sacramento County Planning and Environmental Review Department, and California State Library as required. Coordination regarding completion and submittal of the UWMP and WSCP is now complete, pending any review comments received by DWR.

Please contact me directly at the office (650) 292-9112, cell phone (530) 682-9597, or email at mvasquez@ekiconsult.com with any questions or require additional information.

Very truly yours,

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



Items for Discussion and Action

Agenda Item: 4.3

Date: September 19, 2022

Subject: FY 2022-2023 Budget Revision

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends Board Approval of this item.

Current Background and Justification:

As regularly conveyed to Board Members at the past several meetings, record levels of inflation have dramatically increased the cost of service. The record level of inflation, coupled with the unanticipated cost for lowering and subsequently raising water valve boxes at the intersection of Elkhorn and Rio Linda Blvd has necessitated additional funding.

The source of additional funding is proposed to be from the fiscal year 2022/2023 annual pipe replacement program. As also repeatedly conveyed to the Board Members at regular, public meetings, the pipe replacement project for the previous fiscal year has endured several delays, e.g. pipe procurement and slow permit processing. As such, re-purposing some of the 2022/2023 pipe replacement project funding will be the least invasive solution to the cost overruns caused by inflation and other unanticipated costs.

The details of the line-item changes for this proposed budget revision are detailed in the document associated with this item.

Conclusion:

The Board should move to approve the proposed budget revision.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____
 (A) Yea (N) Nay (Ab) Abstain (Abs) Absent

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

September 19, 2022

			2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
REVENUE						
	40000 OPERATING REVENUE					
	40100 Water Service Rates					
	40101 Basic Service Charge		1,110,746.00	1,110,746.00	0.00	
	40102 Usage Charge		1,753,654.00	1,753,654.00	0.00	
	40105 Backflow Charge		29,600.00	29,600.00	0.00	
	40106 Fire Prevention		23,300.00	23,300.00	0.00	
	Total Water Service Rates		2,917,300.00	2,917,300.00	0.00	
	40200 Water Service Fees					
	40201 Application Fees		6,500.00	6,500.00	0.00	
	40202 Delinquency		90,000.00	90,000.00	0.00	
	40209 Misc. Charges		7,000.00	7,000.00	0.00	
	Total Water Services		103,500.00	103,500.00	0.00	
	40300 Other Water Service Fees					
	40301 New Construction QC		4,000.00	4,000.00	0.00	
	40302 Service Connection Fees		10,000.00	10,000.00	0.00	
	40304 Other Operating Revenue		6,000.00	6,000.00	0.00	
	40305 Grant Revenue-Operating		0.00	0.00	0.00	
	Total Other Water Service Fees		20,000.00	20,000.00	0.00	
	TOTAL OPERATING REVENUE		3,040,800.00	3,040,800.00	0.00	
	41000 NON-OPERATING REVENUES					
	41110 Investment Revenue		35.00	35.00	0.00	
	41120 Property Taxes & Assessments		109,100.00	109,100.00	0.00	
	TOTAL NON-OPERATING REVENUE		109,135.00	109,135.00	0.00	
TOTAL REVENUE			\$3,149,935.00	\$3,149,935.00	0.00	

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**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

September 19, 2022

		2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
OPERATING EXPENSE					
60010 PROFESSIONAL FEES					
60011	General Counsel fees-Legal	\$15,000.00	\$15,000.00	\$0.00	
60012	Auditor Fees	23,200.00	23,200.00	0.00	
60013	Engineering Services	70,000.00	70,000.00	0.00	
60015	Other Professional Fees	0.00	0.00	0.00	
TOTAL PROFESSIONAL FEES		108,200.00	108,200.00	0.00	
60100 PERSONNEL SERVICES					
60110 Salaries & Wages					
60111	Salary - General Manager	120,759.00	120,759.00	0.00	
60112	Staff Regular Wages	660,234.00	660,234.00	0.00	
60113	Contract Extra Help	0.00	0.00	0.00	
60114	Staff Standby Pay	18,250.00	18,250.00	0.00	
60115	Staff Overtime Pay	11,000.00	11,000.00	0.00	
Total Salaries & Wages		810,243.00	810,243.00	0.00	
60150 Employee Benefits and Expenses					
60151	PERS Retirement	127,292.00	127,292.00	0.00	
60152	Workers Compensation	13,029.00	13,029.00	0.00	
60153	Medical & Benefit Insurance	224,760.00	224,760.00	0.00	
60154	Retirees Insurance	36,200.00	36,200.00	0.00	
60155	Staff Training	5,000.00	5,000.00	0.00	
60157	Uniforms	6,750.00	6,750.00	0.00	
60158	Payroll Taxes	63,854.00	63,854.00	0.00	
60159	Payroll Services	1,400.00	1,400.00	0.00	
60160	457 Employer Contribution	18,055.00	18,055.00	0.00	
Total Employee Benefits and Expenses		496,340.00	496,340.00	0.00	
TOTAL PERSONNEL SERVICES		\$1,306,583.00	\$1,306,583.00	\$0.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

September 19, 2022

		2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
60200 ADMINISTRATION					
60205	Bank and Merchant Fees	\$3,500.00	\$3,500.00	\$0.00	
60207	Board Member/Meeting Expense	14,200.00	14,200.00	0.00	
60210	Building Expenses				
60211	Office Utilities	6,750.00	6,750.00	0.00	
60212	Janitorial	2,340.00	2,340.00	0.00	
60213	Maintenance	3,200.00	3,200.00	0.00	
60214	Security	775.00	775.00	0.00	
	Total Building Expenses	13,065.00	13,065.00	0.00	
60220	Computer & Equipment Maint.				
60221	Computer Systems	25,000.00	25,000.00	0.00	
60222	Office Equipment	875.00	875.00	0.00	
	Total Computer & Equipment Maint.	25,875.00	25,875.00	0.00	
60230	Office Expense	5,225.00	5,225.00	0.00	
60240	Postage and Delivery	20,000.00	20,000.00	0.00	
60250	Printing	7,500.00	7,500.00	0.00	
60255	Meetings & Conferences	500.00	500.00	0.00	
60260	Publishing	735.00	800.00	65.00	Increased for actual expenditures
60270	Telephone & Internet	4,750.00	4,750.00	0.00	
60430	Insurance				
60431	General Liability	31,176.00	31,176.00	0.00	
60432	Property	11,800.00	11,800.00	0.00	
	Total Insurance	42,976.00	42,976.00	0.00	
60500	Water Memberships				
60503	SGA	30,777.00	30,777.00	0.00	
60504	ACWA	11,697.00	11,697.00	0.00	
60505	CSDA	7,996.00	7,996.00	0.00	
60507	CRWA	1,435.00	1,435.00	0.00	
	Total Water Memberships	51,905.00	51,905.00	0.00	
60550	Permits & Fees	37,500.00	37,500.00	0.00	
60555	Subscriptions & Licensing	2,120.00	2,120.00	0.00	
60560	Elections	3,000.00	3,000.00	0.00	
60565	Uncollectable Accounts	2,835.00	2,835.00	0.00	
60570	Other Operating Expenditures	500.00	500.00	0.00	
TOTAL ADMINISTRATION		\$236,186.00	\$236,251.00	\$65.00	

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**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

September 19, 2022

		2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
64000 CONSERVATION					
64001	Community Outreach	300.00	300.00	0.00	
64005	Other Conservation Programs	0.00	0.00	0.00	
TOTAL CONSERVATION		300.00	300.00	0.00	
65000 FIELD OPERATIONS					
65100 Other Field Operations					
65110	Backflow Testing	\$3,000.00	\$3,000.00	\$0.00	
65120	Construction Equipment Maintenance	9,000.00	9,000.00	0.00	
65130	Field Communication	3,400.00	3,400.00	0.00	
65140	Field IT	35,000.00	35,000.00	0.00	
65150	Laboratory Services	24,000.00	24,000.00	0.00	
65160	Safety Equipment	6,000.00	6,000.00	0.00	
65170	Shop Supplies	7,000.00	7,000.00	0.00	
Total Other Field Operations		87,400.00	87,400.00	0.00	
65200	Treatment	25,000.00	25,000.00	0.00	
65300 Pumping					
65310	Maintenance	25,000.00	25,000.00	0.00	
65320	Electricity and Fuel	260,000.00	260,000.00	0.00	
Total Pumping		285,000.00	285,000.00	0.00	
65400 Transmission & Distribution					
65410	Distribution Supplies	59,950.00	59,950.00	0.00	
65430	Tank Maintenance	6,280.00	6,280.00	0.00	
65440	Contract Repairs	20,000.00	79,000.00	59,000.00	Increased for additional expenditures. Funded from CIP Project Funding Schedule
65450	Valve Replacements	15,000.00	15,000.00	0.00	
65460	Paving Repairs	25,000.00	25,000.00	0.00	
Total Transmission & Distribution		126,230.00	185,230.00	59,000.00	
65500 Transportation					
65510	Fuel	16,000.00	16,000.00	0.00	
65520	Maintenance	5,000.00	5,000.00	0.00	
Total Transportation		21,000.00	21,000.00	0.00	
TOTAL FIELD OPERATIONS		\$544,630.00	\$603,630.00	\$59,000.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

September 19, 2022

		2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
TOTAL OPERATING EXPENSES		\$2,195,899.00	\$2,254,964.00	\$59,065.00	
NON OPERATING EXPENSES					
69010 Debt Service					
69100	Revenue Bond 2015: Term 11/1/2031				
69105	Revenue Bond 2015-Principle	152,273.00	152,273.00	0.00	
69120	Interest	48,650.00	48,650.00	0.00	
	Total Revenue Bond 2015	200,923.00	200,923.00	0.00	
69125	AMI Meter Loan: Term 7/23/2025				
69130	Principle	52,948.00	52,948.00	0.00	
69135	Interest	5,566.00	5,566.00	0.00	
	Total AMI Meter Loan	58,514.00	58,514.00	0.00	
69200	PERS ADP Loan: Term 6/1/2036				
69205	Principle	30,000.00	30,000.00	0.00	
69210	Interest	1,739.00	1,739.00	0.00	
	Total PERS ADP Loan	31,739.00	31,739.00	0.00	
	69400 Other Non Operating Expense	3,000.00	3,000.00	0.00	
TOTAL NON OPERATING EXPENSES		\$294,176.00	\$294,176.00	0.00	
TOTAL EXPENSE		\$2,490,075.00	\$2,549,140.00	\$59,065.00	

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
OPERATING BUDGET
2022-2023**

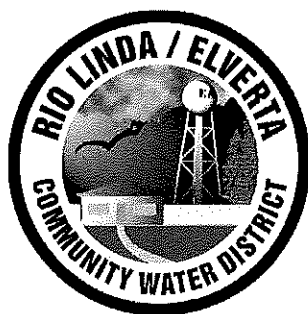
September 19, 2022

	2022-2023 BUDGET	2022-2023 BUDGET REVISION	DIFFERENCE	EXPLANATION
NET INCOME (Income-Expense)	\$659,860.00	\$600,795.00	(\$59,065.00)	
OPERATING FUND BALANCE				
Operating Account Balance June 30	\$1,034,664.00	\$1,056,874.00		
Net Revenue	\$659,860.00	\$600,795.00		
Transfer to GL 10010 Operating Reserve	(\$7,300.00)	(\$28,273.00)	20,973.00	Increased to adjust per policy
Transfer to Future Imp Projects	(\$28,000.00)	\$0.00	(28,000.00)	Decreased no additional funds needed for Annual Pipeline Replacement
Transfer Surplus Sales to Capital Improvement: Large Equipment Replacement	(\$25,650.00)	\$0.00	(25,650.00)	Decreased to adjust for prior year surplus revenue.
Transfer to Capital Improvement Funds	(\$76,700.00)	(\$594,000.00)	17,300.00	Increased to adjust per rate study
Transfer from Capital Improvement Funds	0.00	59,000.00	(\$59,000.00)	Adjustment for budget shortfall from CIP Project Funding Schedule
Estimated Operating Fund Balance June 30	\$1,056,874.00	\$1,094,396.00		
SURCHARGE 1 FUND BALANCE/Term: 06/30/2030				
Surcharge 1 Fund Balance June 30	\$727,777.00	\$790,196.00		
43010 Surcharge Revenue	523,374.00	523,374.00	0.00	
41110 Investment Revenue	2,500.00	1,000.00	(1,500.00)	Decreased to adjust for projected revenue
69155 SRF Principle	(369,821.00)	(379,389.00)	9,568.00	Per Loan Payment Schedule
69160 SRF Interest	(91,534.00)	(81,966.00)	(9,568.00)	Per Loan Payment Schedule
69220 SRF Administration	(2,100.00)	(2,300.00)	200.00	Increased to adjust for projected costs
Estimated Surcharge 1 Fund Balance June 30	\$790,196.00	\$850,915.00		
SURCHARGE 2 FUND BALANCE/Term: 04/01/2033				
Surcharge 2 Fund Balance June 30	\$238,110.00	\$283,801.00		
43050 Surcharge 2 Revenue	439,019.00	439,019.00	0.00	
41110 Investment Revenue	800.00	5,000.00	4,200.00	Increased to adjust for projected revenue
Surcharge 2 Surplus Repayment	(79,747.00)	0.00	(79,747.00)	Last repayment in prior fiscal year
69180 Principle	(225,000.00)	(230,000.00)	5,000.00	Per Loan Payment Schedule
69185 Interest	(89,381.00)	(81,920.00)	(7,461.00)	Per Loan Payment Schedule
Estimated Surcharge 2 Fund Balance June 30	\$283,801.00	\$415,900.00		
LAIF FUND (CAPACITY FEES) BALANCE				
LAIF Fund Balance June 30	\$335,797.00	\$837,197.00		
44100 Capacity Fee Revenue	500,000.00	500,000.00	0.00	
41110 Investment Revenue	1,400.00	1,000.00	(400.00)	Decreased to adjust for projected revenue
Estimated LAIF Fund Balance June 30	\$837,197.00	\$1,338,197.00		

**RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
CAPITAL BUDGET
2022-2023**

September 19, 2022

	GENERAL	FUTURE CAPITAL IMPROVEMENT PROJECTS	VEHICLE & LARGE EQUIPMENT REPLACEMENT	TOTAL
FUNDING SOURCES				
Fund Transfers				
Operating Fund Transfers In	594,000.00	0.00	0.00	594,000.00
Operating Fund Transfers Out	(59,000.00)	0.00		
CIP Fund Intrafund Transfers	(312,737.00)	302,737.00	10,000.00	0.00
PERS ADP Loan Payment				
Principle	0.00	30,000.00	0.00	30,000.00
Interest	0.00	1,739.00	0.00	1,739.00
Investment Revenue	85.00	110.00	0.00	195.00
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	557,242.00	2,044,955.00	27,948.00	2,630,145.00
PROJECTS				
A · WATER SUPPLY				
A-1 · Miscellaneous Pump Replacements	40,000.00	0.00	0.00	40,000.00
Total A · WATER SUPPLY	40,000.00	0.00	0.00	40,000.00
B · WATER DISTRIBUTION				
B-1 · Service Replacements	30,000.00	0.00	0.00	30,000.00
B-2 · Small Meter Replacements	120,000.00	0.00	0.00	120,000.00
B-3 · Large Meter Replacements	5,000.00	0.00	0.00	5,000.00
B-4 · Pipeline Replacement	0.00	478,844.00	0.00	478,844.00
Total B · WATER DISTRIBUTION	155,000.00	478,844.00	0.00	633,844.00
M · GENERAL PLANT ASSETS				
M-1 · Urban Water Management Plan	50,000.00	0.00	0.00	50,000.00
Total M · GENERAL PLANT ASSETS	50,000.00	0.00	0.00	50,000.00
TOTAL BUDGETED PROJECT EXPENDITURES	245,000.00	478,844.00	0.00	723,844.00
NOTE:				
Operating Fund Transfers Out of \$59,000 covers operating shortfall for Contract Repairs GL 65440. Funding comes from CIP Project Funding Schedule: Annual Pipeline Replacement for current year only from \$211,000 to \$152,000				



Items for Discussion and Action
Agenda Item: 4.4

Date: September 19, 2022

Subject: Governmental Accounting Standards Board Statement (GASB) 75 Actuarial Statement

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee did not discuss this item.

Current Background and Justification:

The GASB 75 statement prepared by the District's consultant, DFA LLC was not available at the time the documents for the September 6th Executive Committee documents were posted. Staff does not recommend waiting for October meetings to consider this report as such delay may correspondingly delay the annual independent audit. Additionally, the mandate for preparing the GASB 75 statement is biannual, i.e., this is a recurring item.

The primary objective of the GASB 75 Statement is to improve accounting and financial reporting by state and local governments for employee postemployment benefits other than pensions (other postemployment benefits or OPEB). The most common form of OPEB is retiree medical insurance. GASB 75 requires transparent, objective reporting of the costs (both long and short term) for defined benefit retiree medical insurance.

Extensive details including the purpose, required content, and essence of the GASB 75 statement are provided in the statement document, which is a document associated with this item.

Conclusion:

I recommend the Board approve the GASB 75 Statement prepared by DFA LLC.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford ____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



GASB Statement No. 75

**Actuarial Valuation Report – Retiree Health Insurance Program
Rio Linda Elverta Community Water District**

Valuation Date: July 1, 2021
Measurement Date: July 1, 2021

September 7, 2022



September 7, 2022

Timothy Shaw
General Manager
Rio Linda Elverta Community Water District
730 L Street
Rio Linda, CA 95673

Re: Rio Linda Elverta Community Water District ("District") GASB 75 Valuation

Dear Timothy:

This report sets forth the results of our GASB 75 actuarial valuation of the District's retiree health insurance program as of July 1, 2021.

In June 2004, the Governmental Accounting Standards Board (GASB) issued its accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. In June 2015, GASB released new accounting standards for postretirement benefit programs, GASB 74 and GASB 75, which replace GASB 43 and GASB 45, respectively.

The District selected DFA, LLC (DFA) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2021. This report may be compared with the valuation performed by DFA as of July 1, 2019, to see how the liabilities have changed since the last valuation.

Basis for Actuarial Valuation

To perform the valuation, we relied on the following information provided by the District:

- Census data for active employees and retirees
- Claims, premium, expense, and enrollment data
- Copies of relevant sections of healthcare documents, and
- (If applicable) trust statements prepared by the trustee

We also made certain assumptions regarding rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions used for similar valuations, modified as appropriate for the District. A complete description of the actuarial assumptions used in the valuation is set forth in the Actuarial Assumptions section.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the Actuarial Certification section.

We have enjoyed working with the District on this project and are available to answer any questions you may have concerning any information contained herein.

Disclosure of Risk

Considering recent events, it is important to call attention to the external risk factors associated with actuarial projections. An event like the COVID-19 pandemic has the potential to affect future measurements that would deviate from current long-term expectations. The following is a list of specific factors that impact OPEB liabilities:

- Census – retirement, turnover, and mortality experience different than expected.
- Medical coverage – premiums, participation, and level of coverage different than expected.
- Municipal bond rates – changes in applicable rates (rates are currently declining and may result in increased liabilities). Under GASB 75, the municipal rate may affect the discount rate. The quantitative effect of changes in the discount rate can be seen in the sensitivity results.
- Investment performance – (for funded plans) investment performance different than the long-term expected return. Investment performance may also affect the discount rate.

The current environment's impact on these factors will continue to unfold. We are available to discuss both short-term and long-term impact upon request.

Sincerely,
DFA, LLC

Carlos Diaz, ASA, EA, MAAA
Actuary

Financial Results

In this section, we present financial results based on a long-term expected return on plan investments of 5.75%. This rate is based on our best estimate of expected long-term plan experience for funded plans such as the District's. The results are intended to help (1) in comparing financial results from the previous valuation and (2) in long-term budget and strategic planning (without regard to short-term volatility in municipal bond indices). Results specific to GASB 75 reporting are presented in the next section.

We have determined that the present value of all benefits expected to be paid by the District for its current and future retirees is \$157,782 as of July 1, 2021. If the District were to place this amount in a fund earning interest at the rate of 5.75% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.



When we apportion the \$157,782 into past service and future service components under the Entry Age, Level Percent of Pay Cost Method, the Total OPEB Liability is \$150,171 as of July 1, 2021. This represents the present value of all benefits accrued through the valuation date if each employee's liability is expensed from hire date until retirement date as a level percentage of pay. The \$150,171 is comprised of liabilities of \$36,141 for active employees and \$114,030 for retirees

The District has adopted an irrevocable trust for the pre-funding of retiree healthcare benefits. As of July 1, 2021, the trust balance, or Plan Fiduciary's Net Position (GASB 75) is \$66,551.

The Net OPEB Liability (Asset), equal to the Total OPEB Liability over the Plan Fiduciary's Net Position, is \$83,620.

This valuation includes benefits for two retirees and nine active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date.

ASOP 6 – Age-Specific Costs and Implicit Subsidy

Actuarial Standard of Practice No. 6 (ASOP 6) provides guidance in measuring OPEB obligations and determining periodic costs or actuarially determined contributions. The standard specifies that in (almost all instances), the actuary should use age-specific costs in the development of the initial per capita costs and in the projection of future benefit plan costs.

Because retirees do not remain on the District's group health plans, the valuation includes no implicit subsidy cost. Benefits are valued based on projected District reimbursements.

Financial Results (continued)

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2019 by DFA. The Total OPEB Liability as of that date was \$161,006, compared to \$150,171 as of July 1, 2021 (determined using a discount rate of 5.75%).

Several factors have caused the Total OPEB Liability to change since 2019:

- An increase as employees accrue more service and get closer to receiving benefits.
- A decrease from a release of benefits.
- Changes in the plan census from new employees and differences between actual and expected retirement, terminations, and deaths.
- Changes in healthcare costs from differences between actual and expected healthcare trend; and
- Changes in actuarial assumptions and methodology for the current valuation.

To summarize, the most important changes were as follows:

1. A decrease of \$13,024 from the passage of time (service and interest costs less benefits paid).
2. An increase of \$147 resulting from population experience (terminations, retirements, and mortality) different than expected.
3. A decrease of \$273 from changes in healthcare premiums different than expected.
4. An increase of \$869 from changes in the healthcare trend rate.
5. An increase of \$1,446 from an update in the mortality assumption.

These changes from July 1, 2019 to July 1, 2021 are combined as follows:

Total OPEB Liability as of July 1, 2019	\$161,006
Passage of time	(13,024)
Difference between expected/actual experience	(126)
Changes in assumptions or other inputs	2,315
Changes in plan provisions	0
Total OPEB Liability as of July 1, 2021	\$150,171

GASB 75 Results

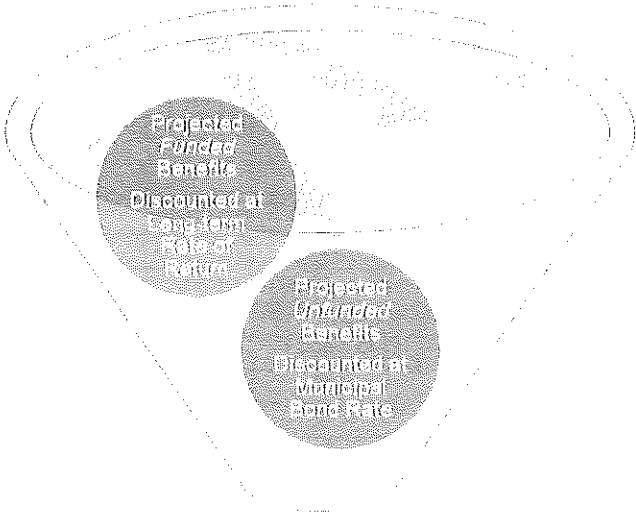
For financial reporting purposes, GASB 75 requires a discount rate that reflects the following:

- a. The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position is projected to be enough 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.

The amount of the plan’s projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments.

Based on these requirements and the following information, we have determined a discount rate of 5.75% for GASB 75 reporting purposes:

Long-Term Expected Return on Assets	5.75%
Fidelity General Obligations AA - 20 Years Index on June 30, 2021	1.92%
GASB 75 Discount Rate	5.75%



**Projected Benefits
Discounted at
GASB 75 Discount Rate**

GASB 75 Results (continued)

**Rio Linda Elverta Community Water District
Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard**

	July 1, 2021 ¹		
	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Discount Rate	5.75%	1.92%	5.75%
Present Value of Future Benefits			
Active	\$43,752	\$64,137	\$43,752
Retired	114,030	143,933	114,030
Total	\$157,782	\$208,070	\$157,782
Total OPEB Liability (Actuarial Liability)			
Active	\$36,141	\$46,586	\$36,141
Retired	114,030	143,933	114,030
Total	\$150,171	\$190,519	\$150,171
Plan Fiduciary Net Position (Plan Assets)	\$66,551	\$66,551	\$66,551
Net OPEB Liability (Unfunded Actuarial Liability)	\$83,620	\$123,968	\$83,620
Sensitivity Analysis			
1% Decrease in Discount Rate	4.75%	0.92%	4.75%
Total OPEB Liability	\$159,370	\$203,693	\$159,370
Net OPEB Liability	\$92,819	\$137,142	\$92,819
1% Increase in Discount Rate	6.75%	2.92%	6.75%
Total OPEB Liability	\$141,765	\$178,556	\$141,765
Net OPEB Liability	\$75,214	\$112,005	\$75,214
1% Decrease in Trend Rate ²			
Total OPEB Liability	\$148,225	\$187,520	\$148,225
Net OPEB Liability	\$81,674	\$120,969	\$81,674
1% Increase in Trend Rate ³			
Total OPEB Liability	\$151,566	\$192,534	\$151,566
Net OPEB Liability	\$85,015	\$125,983	\$85,015

¹ For the District's financial statements, DFA will provide separate schedules with supplemental GASB 75 information.

² Trend rate for each future year reduced by 1.00%.

³ Trend rate for each future year increased by 1.00%.

GASB 75 Results (continued)

Net OPEB Expense

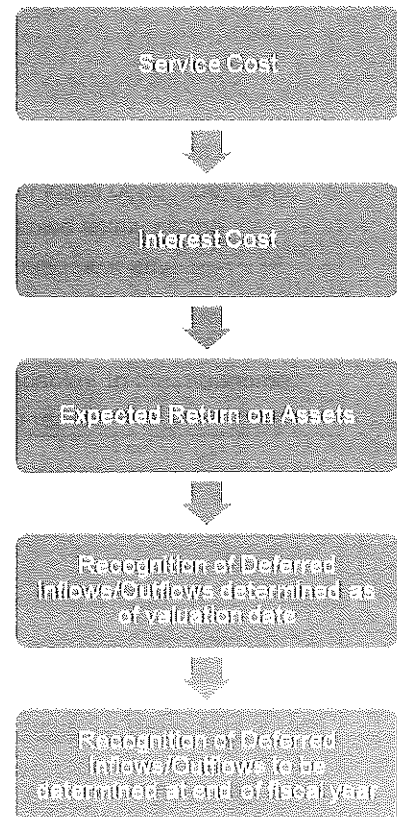
We have determined the following components of the District's Net OPEB Expense for the measurement year ending June 30, 2022: Service Cost, Interest Cost, Expected Return on Assets, and Deferred Outflows and Inflows (determined as of the valuation date).

- Service Cost represents the present value of benefits accruing in the current year.
- Interest Cost represents the interest on the Total OPEB Obligation and interest on the Service Cost.
- Expected Return on Assets is the expected return based on a 5.75% investment rate of return.
- Deferred Outflows and Inflows of Resources (determined as of the valuation date) are changes in the Net OPEB Liability resulting from differences between projected and actual plan experience, from differences between projected and actual OPEB plan investments, and from changes in assumptions.

The Net OPEB Expense will reflect additional Deferred Outflows and Inflows that will be determined based on the Net OPEB Obligation as of June 30, 2022.

We summarize results in the table on the next page. For comparative purposes, we provide service cost and interest cost at three discount rates (the expected return on assets, the municipal bond index, and the GASB 75 rate, discussed above). We determine Deferred Outflows and Inflows solely on the applicable GASB 75 rate. All amounts are net of expected future retiree contributions, if any.

DFA will be available to assist the District and its auditors in preparing the footnotes and required supplemental information for compliance with GASB 75 (and GASB 74, if applicable). In the meantime, we are available to answer any questions the District may have concerning the report.



GASB 75 Results (continued)**Actuarially Determined Contribution and Pay-As-You-Go with Implied Subsidy**

We have calculated an actuarially determined contribution representing the Service Cost and a 30-year amortization (as a level percent of pay) of the Net OPEB Liability. We include the results in the table on the next page. We provide results at three discount rates (the expected long-term expected return on assets, the municipal bond index, and the GASB 75 rate).

An actuarially determined contribution is a potential payment to the plan determined using a contribution allocation procedure. It is not a required contribution, but a measurement commonly used to prefund OPEB benefits. We provide the amounts for illustrative purposes.

The actuarially determined contribution may be compared to the pay-as-you-go payment. The table shows the pay-as-you-go payment along with the projected implied subsidy payment.

The Funding Schedules section provides additional prefunding alternatives.

GASB 75 Results (continued)

**Rio Linda Elverta Community Water District
Net OPEB Liabilities and Expense Under
GASB 75 Accrual Accounting Standard**

	July 1, 2021		
	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Discount Rate	5.75%	1.92%	5.75%
Components of Net OPEB Expense for 2021-22			
Service Cost (beginning of year)	\$944	\$1,804	\$944
Interest Cost	8,222	3,535	8,222
Expected Return on Assets	(3,827)	(3,827)	(3,827)
Total ⁴	\$5,339	\$1,512	\$5,339
Actuarially Determined Contribution for 2021-22			
Service Cost (mid-year)	\$971	\$1,821	\$971
Amortization of Net OPEB Liability ⁵	4,093	3,566	4,093
Total ^{6,7}	\$5,064	\$5,387	\$5,064
Pay-As-You-Go Payment with Implied Subsidy for 2021-22			
Projected Pay-As-You-Go	\$16,470	\$16,470	\$16,470
Projected Implied Subsidy	0	0	0
Total	\$16,470	\$16,470	\$16,470

⁴ Additional components are shown on the following pages. Deferred Outflows/Inflows of Resources will also include changes determined based on the Total OPEB Obligation and Plan Fiduciary Net Position as June 30, 2022.

⁵ 30-year amortization (as a level percent of pay).

⁶ Estimated Actuarially Determined Contribution for subsequent year:

	Long-Term Return	Municipal Bond Index	GASB 75 Rate
Actuarially Determined Contribution for 2022-23 ⁷	\$5,216	\$5,549	\$5,216

⁷ No adjustment for implicit subsidy is required.

GASB 75 Results (continued)

Schedule of Changes in Net OPEB Liability (July 1, 2020 to June 30, 2021)

1. Total OPEB Liability	
a. Total OPEB Liability on July 1, 2020 ⁸	\$154,478
b. Service Cost ⁹	1,213
c. Interest Cost	8,493
d. Changes in plan provisions ^{8,12}	0
e. Difference between expected and actual experience ^{8,11}	0
f. Changes in assumptions and other inputs ^{8,11}	0
g. Benefit Payments ¹⁰	(16,200)
h. Projected Total OPEB Liability at June 30, 2021	\$147,984
i. Difference between expected and actual experience ¹³	(128)
j. Changes in assumptions and other inputs ¹³	2,315
k. Changes in plan provisions ¹²	0
l. Total OPEB Liability at July 1, 2021	\$150,171
2. Plan Fiduciary Net Position	
a. Plan Fiduciary Net Position on July 1, 2020 ⁸	\$38,785
b. Contributions ¹⁰	36,200
c. Expected Investment Income	2,316
d. Benefit Payments ¹⁰	(16,200)
e. Net Transfers	0
f. Difference between actual and expected return on assets ¹¹	5,450
g. Projected Plan Fiduciary Net Position at June 30, 2021	\$66,551
h. Difference between actual and expected return on assets ¹³	0
i. Plan Fiduciary Net Position at July 1, 2021	\$66,551
3. Net OPEB Liability	
a. Projected Net OPEB Liability: (1h) - (2g)	\$81,433
b. Net OPEB Liability: (1l) - (2i)	\$83,620
4. Discount Rate	
a. July 1, 2020	5.75%
b. July 1, 2021	5.75%

⁸ From June 30, 2021 disclosure report, based on the July 1, 2019 actuarial valuation.

⁹ Projected from July 1, 2019 valuation.

¹⁰ Includes credit toward implicit subsidy (if applicable).

¹¹ Deferred (Outflow)/Inflow of Resources established as of June 30, 2021.

¹² Included in OPEB Expense.

¹³ Deferred (Outflow)/Inflow of Resources to be established for fiscal year end June 30, 2022.

GASB 75 Results (continued)

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

Type	Initial Amount	Fiscal Year Established	Period (Years)	Annual Recognition ¹⁴
Difference between expected/actual experience	0	2018	0.0	0
Difference between expected/actual return on assets	0	2018	0.0	0
Changes in assumptions or other inputs	(9,723)	2018	6.8	(1,430)
Difference between expected/actual experience	0	2019	0.0	0
Difference between expected/actual return on assets	(92)	2019	5.0	(18)
Changes in assumptions or other inputs	(22,885)	2019	7.6	(3,011)
Difference between expected/actual experience	(57,042)	2020	8.4	(6,791)
Difference between expected/actual return on assets	(1,165)	2020	5.0	(233)
Changes in assumptions or other inputs	(9,986)	2020	8.4	(1,189)
Difference between expected/actual experience	0	2021	0.0	0
Difference between expected/actual return on assets	(5,450)	2021	5.0	(1,090)
Changes in assumptions or other inputs	0	2021	0.0	0
Difference between expected/actual experience	(128)	2022	6.8	(19)
Difference between expected/actual return on assets	0	2022	5.0	0
Changes in assumptions or other inputs	2,315	2022	6.8	340
			<i>Total</i>	<i>(13,441)</i>

¹⁴ Charge/(Credit) included in OPEB Expense.

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the sections above, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. However, the GASB 75 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree fund earns, or is otherwise credited with, 5.75% per annum on its investments, a starting Trust value of \$66,551 as of July 1, 2021, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 18 years.
2. A level percent of the Unfunded Accrued Liability.
3. A constant percentage (3.00%) increase for the next 17 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

Treatment of Implicit Subsidy

We exclude any implicit subsidy from these funding schedules because we do not recommend that the District pre-fund for the full age-adjusted costs reflected in the liabilities shown in the first section of this report. If the District's premium structure changes in the future to explicitly charge under-age 65 retirees for the full actuarial cost of their benefits, this change will be offset by a lowering of the active employee rates (all else remaining equal), resulting in a direct reduction in District operating expenses on behalf of active employees from that point forward. For this reason, among others, we believe that pre-funding of the full GASB liability would be redundant.

Funding Schedules (continued)

Sample Funding Schedules (Closed Group)
Starting Trust Value of \$66,551 as of July 1, 2021

Year Beginning	Pay-as-you-go	Level Contribution for 18 years	Level % of Unfunded Liability	Constant Percentage Increase for 17 years
2021	\$16,470	\$8,051	\$24,250	\$6,767
2022	16,402	8,051	18,978	6,969
2023	16,309	8,051	14,920	7,179
2024	16,188	8,051	11,782	7,394
2025	12,582	8,051	9,344	7,616
2026	12,719	8,051	7,424	7,844
2027	13,045	8,051	5,924	8,080
2028	13,455	8,051	4,631	8,322
2029	13,893	8,051	3,518	8,572
2030	14,263	8,051	2,672	8,829
2031	14,525	8,051	2,030	9,094
2032	14,701	8,051	1,543	9,366
2033	14,802	8,051	1,173	9,647
2034	14,795	8,051	892	9,937
2035	11,333	8,051	679	10,235
2036	4,756	8,051	517	10,542
2037	4,856	8,051	393	10,858
2038	5,207	8,051	299	0
2039	4,065	0	228	0
2040	3,550	0	173	0
2041	1,468	0	132	0
2042	1,103	0	100	0
2043	812	0	76	0
2044	584	0	58	0
2045	404	0	44	0
2046	266	0	34	0
2047	168	0	25	0
2048	101	0	19	0
2049	59	0	15	0
2050	32	0	11	0
2055	0	0	3	0
2060	456	0	1	0
2065	0	0	0	0
2070	0	0	0	0
2075	0	0	0	0
2080	0	0	0	0
2085	0	0	0	0

Funding Schedules (continued)

The table below provides an alternative comparison of the funding schedules. The present value (or time-value) of payments for each alternative is \$91,334 and is equal to the excess of the present value of projected pay-as-you-go payments over any current trust/fund.

The difference between the sum of the contributions and the present value of contributions is the total interest cost associated with each alternative. As discussed above, the advantages of pre-funding should be weighed against other financial considerations.

	Pay-as-you-go	Level Contribution for 20 years	Level % of Unfunded Liability	Constant Percentage Increase
Present value of contributions ^a	\$91,334	\$91,334	\$91,334	\$91,334
Total interest cost	77,150	53,584	20,584	55,917
Total contributions ^b	168,484	144,918	111,918	147,251

^a Based on a discount rate of 5.75%.

^b Reflects no prefunding of implicit subsidy.

Plan Provisions

The District's retiree healthcare benefit is not subject to the Public Employees' Medical & Hospital Care Act (PEMHCA). The District provides funding in varying amounts to eligible retirees to assist eligible retirees with their cost of maintaining healthcare insurance. 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.

Retiree health benefits vary by tier, which is in turn 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 Percent
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20+	100%

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 five 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 three-year period before retirement.

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.

Valuation Data

Retiree Census - Age distribution of retirees included in the valuation

Age	Total
Under 55	0
55-59	0
60-64	1
65-69	0
70-74	0
75-79	1
80-84	0
85+	0
All Ages	2
Average Age	68.0

Active Census - Age/service distribution of active employees included in the valuation

Age	Years of Service							Total	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34		35+
<25	1	0	0	0	0	0	0	0	1
25-29	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0
40-44	1	0	0	0	0	0	0	0	1
45-49	2	1	0	0	0	0	0	0	3
50-54	0	0	1	0	0	1	0	0	2
55-59	1	1	0	0	0	0	0	0	2
60-64	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0
All Ages	5	2	1	0	0	1	0	0	9

Average Age: 47.1
 Average Service: 7.5

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date: July 1, 2021

Actuarial Cost Method: Entry Age, Level Percent of Pay

Discount Rate:

- Long-term Expected Return 5.75%
- Municipal Bond Index 1.92%
- GASB 75 5.75%

Salary Increases: 3.00%

Withdrawal: Crocker-Sarason Table T5 less mortality, without adjustment. Sample Rates:

Age	Rate
25	7.7%
35	6.3
45	4.0
55	0.9

Pre-retirement Mortality: Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).

Postretirement Mortality: Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

Retirement:

Age	Rate
50	5.0%
51	5.0%
52	5.0%
53	5.0%
54	5.0%
55	10.0%
56	12.0%
57	15.0%
58	18.0%
59	20.0%
60	22.0%
61	25.0%
62	30.0%
63	35.0%
64	40.0%
65	100.0%

Actuarial Assumptions (continued)

Percent Electing Coverage: 100%

Spouse Coverage: Future retirees: 50%
 Current retirees: Actual dependent data used.
 Female spouses are assumed to be three years younger than male spouses.

Medical Trend:

Year	Pre-Medicare	Medicare	Dental and Vision
2021	6.00%	4.50%	3.00%
2022	5.75%	4.50%	3.00%
2023	5.50%	4.50%	3.00%
2024-2069	5.20%	4.50%	3.00%
2070+	4.50%	4.50%	3.00%

Increase in District Caps No increased assumed for all future years.

DRAFT

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Rio Linda Elverta Community Water District ("District") as of July 1, 2021.

The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, and (when applicable) trust statements prepared by the trustee and provided to us by the District.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 74 and GASB 75, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

Each undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:

Carlos Diaz, ASA, EA, MAAA
Actuary



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

Date: September 19, 2022
Subject: Professional Services Agreement, Maze & Associates Auditing Services
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends Board Approval of this item.

Current Background and Justification:

As previously communicated at the past several Board meetings, the previous auditor is deceased. As such, a Request For Proposals (RFP) process was initiated with Board approval. Staff has evaluated the qualification and experience of the two respondents to the RFP and determined the most qualified and experienced services provider relative to the District's need. Staff has also determined that the charges proposed by the most qualified respondent are reasonable.

Staff has prepared a Professional Services Agreement (small scope, standard form) for Board consideration. The Professional Services Agreement is included with the Board packets as a document associated with this item.

Conclusion:

As recommended by the September 6th Executive Committee, the Board should approve the Professional Services Agreement with Maze & Associates for independent auditing services.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

AGREEMENT FOR CONSULTING SERVICES

THIS CONSULTING SERVICES AGREEMENT (“Agreement”) is made and entered into this 19 day of September 2022, by and between the Rio Linda Elverta Community Water District, a county water district of the State of California (“District”) and Maze & Associates (“Consultant”), (each individually a “Party” and collectively the “Parties”). There are no other parties to this Agreement.

RECITALS

A. Consultant represents to District that it is a duly qualified and licensed firm experienced in providing consulting services as a financial auditor.

B. In the judgment of the Board of Directors of District, it is necessary and desirable to employ the services of Consultant to perform consulting services on the above referenced water supply project (the “Project”).

C. Consultant has been selected as the most qualified to perform the services as a financial auditor.

D. All compensation shall be based on a time and materials not to exceed bases using billing rates provided in the Scope of Services attached as **Exhibit A**.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

Section 1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 18 of this Agreement, Sections 1 through 18 shall prevail.

Section 2. Term. This Agreement shall commence on the Effective Date and terminate one (1) year after Consultant completes performance of the Services (“Term”), unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

Section 3. Effective Date. This Agreement shall only become effective once all of the Parties have executed the Agreement (the “Effective Date”). Consultant, however, shall not commence the performance of the Services until it has been given notice by District (“Notice to Proceed”).

Section 4. Work.

(a) *Services.* Subject to the terms and conditions set forth in this Agreement, Consultant shall perform the Services as described in **Exhibit A**. Consultant shall not receive additional compensation for the performance of any services unless approved by the District in writing.

(b) *Modification of Services.* Only the District’s General Manager may authorize, in writing, extra or changed work. Failure of Consultant to secure such a written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further waives any and all

right or remedy by way of restitution or quantum meruit for any and all extra work performed without such express and prior written authorization of the General Manager.

Section 5. Time of Performance. Consultant warrants that it will commence performance of the Services within thirty (30) calendar days of the Notice to Proceed. The time of performance is a material term of this Agreement relied on by District in entering into this Agreement.

Section 6. Payment. District shall pay Consultant for all Services described in the approved Scope of Services and which are to be performed by Consultant.

District shall pay Consultant within thirty (30) days of Project completion, acceptance of the Services by District, and receipt of Consultant's invoice for the Services. All payments will be made in accordance with this Agreement.

Section 7. Representations of Consultant. District relies upon the following representations by Consultant in entering into this Agreement:

(a) *Standard of Care.* District has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby warrants that it is qualified to perform the Services as provided in the Scope of Services and that all of its services will be performed in accordance with the generally accepted consultant practices and standards, in compliance with all applicable federal, state and local laws.

(b) *Independent Contractor.* In performing the services hereinafter specified, Consultant shall act as an independent contractor and shall have control of the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of District and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits District provides its employees. In the event District exercises its right to terminate this Agreement, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between District and Consultant.

(c) *Authority.* Consultant represents that it possesses the necessary licenses, permits and approvals required to perform the Services or will obtain such licenses, permits or approvals prior to the time such licenses, permits or approvals are required. Consultant shall also ensure that all sub-consultants are similarly licensed and qualified. Consultant represents and warrants to District that Consultant shall, at Consultant's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Consultant to practice Consultant's profession at the time the Services are rendered, including registration for public works projects with the Department of Industrial Relations.

(d) *No Conflict of Interest.* Consultant represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement. Consultant further promises that in the performance of this Agreement, no person having such conflict of interest will be knowingly employed. If requested to do so by District, Consultant shall complete and file, and shall cause any person doing work under this Agreement to complete and file, a "Statement of Economic Interest" with the Sacramento County Clerk disclosing their financial interests.

(e) *Prevailing Wage.* Consultant agrees to pay all craftsmen and laborers required as part of the consulting services at least the minimum prevailing wage required by the Department of Industrial Relations of the State of California. Consultant understands and agrees that it is Consultant's responsibility to determine the minimum prevailing wage and to report compliance as required under California law.

Section 8. Conformity with Law and Safety. Consultant shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. Consultant's failure to comply with any laws, ordinances, codes or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Consultant shall immediately notify the District's risk manager by telephone. If any accident occurs in connection with this Agreement, Consultant shall promptly submit a written report to District, in such form as the District may require. This report shall include the following information: (a) name and address of the injured or deceased persons; (b) name and address of Consultant's sub-consultant, if any; (c) name and address of Consultant's liability insurance carrier; and (d) a detailed description of the accident, including whether any of District's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Consultant shall immediately notify District. Consultant shall not store hazardous materials or hazardous waste within the District limits without a proper permit from District.

Section 9. Excusable Delays. Consultant shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Consultant. Force Majeure does not include: (a) Consultant's financial inability to perform; (b) Consultant's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) Consultant's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Consultant.

Section 10. Assignment Prohibited. No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

Section 11. Ownership and Disclosure of Work Product. District shall be the owner of and shall be entitled to immediate possession of accurate reproducible copies of any design computations, plans, specifications, copies of correspondence, maps, or other pertinent data and information gathered or computed by Consultant ("Work Product") in the performance of and prior to termination of this Agreement by District or upon completion of the work pursuant to this Agreement. Consultant may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of District, during the term of this Agreement and for a period of one hundred eighty (180) days following expiration of the term of the Agreement.

When this Agreement is terminated, Consultant agrees to return to District all documents, drawings, photographs and other written or graphic material, however produced, that it received from District, its Consultants or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

Section 12. Termination by Default. If a Party should fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violates any of the terms of this Agreement (the "Defaulting Party"), the other Party shall give notice to the Defaulting Party and allow such Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate this Agreement by giving written notice of such termination, stating the reason for such termination. In such event, Consultant shall be entitled to receive payment for all services satisfactorily rendered, provided, however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of this Agreement by Consultant. If payment under this Agreement is based upon a lump sum in total or by individual task, payment for services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by District by virtue of any breach of this Agreement by Consultant.

(a) Consultant shall deliver copies of all Work Product prepared by it pursuant to this Agreement.

(b) If District terminates this Agreement before District issues the Notice to Proceed to Consultant or before Consultant commences any Services hereunder, whichever last occurs, District shall not be obligated to make any payment to Consultant. If District terminates this Agreement after District has issued the Notice to Proceed to Consultant and after Consultant has commenced performance under this Agreement, District shall pay Consultant the reasonable value of the Services rendered by Consultant pursuant to this Agreement prior to termination of this Agreement. District shall not in any manner be liable for Consultant's actual or projected lost profits had Consultant completed the Services. Consultant shall furnish to District such financial information, as in the judgment of the District Manager, is necessary to determine the reasonable value of the Services rendered by Consultant prior to termination.

(c) Except as provided in this Agreement, in no event shall District be liable for costs incurred by or on behalf of Consultant after the date of the notice of termination.

Section 13. Liability for Breach. Neither Party waives the right to recover damages against the other for breach of this Agreement including any amount necessary to compensate District for all detriment proximately caused by Consultant's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. District reserves the right to offset such damages against any payments owed to Consultant. District shall not in any manner be liable for Consultant's actual or projected lost profits had Consultant completed the Services required by this Agreement. In the event of a termination by either Party, copies of all finished or unfinished Work Product shall become the property of District. Notwithstanding the above, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

Section 14. Insurance Coverage. During the Term, the Consultant shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current A M Best's rating of no less than A VII and will provide the District with written proof of said insurance. Consultant shall maintain coverage as follows:

(a) *Professional Liability:* Professional liability insurance for damages incurred by reason of any actual or alleged negligent act, error or omission by sub-consultant in the amount of One Million Dollars (\$1,000,000.00) combined single limit each occurrence and annual aggregate. If the

Consultants prime agreement requires the sub-consultant to carry additional Professional Liability insurance the sub-consultant shall increase their Professional Liability insurance to meet the prime agreement's requirements for the duration of the Project.

(b) *General Liability.* Consultant shall carry commercial general liability insurance in an amount no less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence, covering bodily injury and property damage. If commercial general liability insurance or another form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate shall be no less than One Million Dollars (\$1,000,000.00).

(c) *Worker's Compensation Insurance and Employer's Liability.* Consultant shall carry workers' compensation insurance as required by the State of California under the Labor Code.

(d) *Automobile Liability Insurance.* Consultant shall carry Automobile liability insurance covering bodily injury and property damage in an amount no less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles.

(e) *Policy Obligations.* Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

(f) *Material Breach.* If Consultant, for any reason, fails to maintain insurance coverage that is required pursuant to this Agreement, such failure shall be deemed a material breach of this Agreement. District, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, District may purchase such required insurance coverage, and without further notice to Consultant, District may deduct from sums due to Consultant any premium costs advanced by District for such insurance. These remedies shall be in addition to any other remedies available to District.

Section 15. Indemnification. To the fullest extent permitted by law (including, without limitation, California Civil Code sections 2782 and 2782.8), Consultant shall defend, indemnify hold harmless and release District, and District's elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("District's Agents") from and against any and all actions, claims, loss, cost, damage, injury (including, without limitation, disability, injury or death of an employee of Consultant or its sub-consultants), expense and liability of every kind, nature and description that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of Consultant, or any direct or indirect sub-consultant, employee, Consultant, representative or agent of Consultant, or anyone that Consultant controls (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify District and District's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, or willful misconduct of District or District's Agents, or any third parties. With respect to third party claims against the Consultant, the Consultant waives any and all rights of any type of express or implied indemnity against District and District's Agents. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under Workers' Compensation acts, disability benefits acts or other employee benefit acts.

Section 16. Notices. Any notice or communication required hereunder between District and Consultant must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly

addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to District: Rio Linda Elverta Community Water District
730 L Street
Rio Linda, California 95673
Attention: General Manager
Tel: (916) 991-1000

With courtesy copy to: Churchwell White LLP
1414 K Street, 3rd Floor
Sacramento, California, 95814
Attention: Barbara A. Brenner, Esq.
Tel: (916) 468-0950

If to Consultant: Maze & Associates
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523
Tel: (925) 930-0902

Section 17. Exhibits. Exhibit A referred to below and attached to herein is by this reference incorporated into this Agreement:

<u>Exhibit Designation</u>	<u>Exhibit Title</u>
Exhibit A:	Scope of Services

Section 18. General Provisions.

(a) *Modification.* No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

(b) *Waiver.* No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

(c) *Severability.* If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

(d) *Counterparts.* This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(e) *Audit.* District shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to District under this Agreement.

(f) *Entire Agreement.* This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

(g) *Attorney's Fees and Costs.* If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(h) *Time is of the Essence.* Time is of the essence in this Agreement for each covenant and term of a condition herein.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, this Agreement has been entered into by and between District and Consultant as of the Effective Date.

DISTRICT:

Rio Linda Elverta Community Water District,
a county water district of the State of
California

By: _____
Timothy R. Shaw, General Manager

Date: _____

Approved as to Form:

By: _____
Barbara A. Brenner, District Counsel

CONSULTANT:

By: _____

Date: _____

EXHIBIT A**SCOPE OF SERVICES**

Consultant shall perform and complete the following Scope of Services in accordance with the details and specifications described below, which shall include a Completion Schedule and description of the Compensation:

Price includes all the basic audit work and reports, statements and other deliverables specified in your request for proposal. Our price also includes the items below at **no additional cost**:

- 1) Year-round support and telephone consultation on pertinent issues affecting the District,
- 2) Copies of our journal entries and our leadsheets used to support the amounts in your financial statements,
- 3) **Free full day of training** at our annual MazeLive event,
- 4) Active Partner involvement in your work **every year**,
- 5) Our typed interim Accounting Issues Memorandum,
- 6) Overviews and summaries of upcoming pronouncements and regulation affecting the audited financial statements.
- 7) Direct dump of general ledger data into our ProSystems trial balance software which is fully linked to financial statement formats.

Fees and Billings

Progress billings will be made on the pro-rated audit work completed during the course of the engagement. Fees are firm fixed prices. Fees are based on the District's records will be in condition to be audited; that is, transactions will be properly recorded in the general ledger and subsidiary records, these accounting records and the original source documents will be readily available to use, furnished with copies of bank reconciliations and other reconciliations and analyses prepared by the District and District personnel will be reasonably available to explain procedures, prepare audit correspondence and obtain files and records.

Any consulting work you request will be performed at the same rates as audit work.

If the District would like additional services, those can be evaluated, and our standard billing rates would apply as follows:

Partner - \$ 300
Manager - \$150
Supervisor - \$120
Associates - \$95

See attached original Cost Proposal

AUDIT SERVICES COST PROPOSAL

PREPARED FOR



Rio Linda/Elverta Community Water District
Attn: Timothy Shaw, General Manager
730 L Street
Rio Linda, CA 95673

David Alvey, CPA, Partner
3478 Buskirk Ave, Suite 215
Pleasant Hill, CA 94523
(925) 930-0902 (Phone) - (925) 930-0135 (Fax)
davida@mazeassociates.com

MAZE
& ASSOCIATES

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TOTAL ALL-INCLUSIVE MAXIMUM PRICE

Maze & Associates Certification

David Alvey and Vikki Rodriguez are authorized to submit this proposal and negotiate and sign a contract with the Rio Linda/Elverta Community Water District (District). Our offer is firm and irrevocable for a period of 90 days from the date of this proposal.

What Our Price Includes

Our price includes all the basic audit work and reports, statements and other deliverables specified in your request for proposal. Our price also includes the items below at **no additional cost**:

- 1) Year-round support and telephone consultation on pertinent issues affecting the District,
- 2) Copies of our journal entries and our leadsheets used to support the amounts in your financial statements,
- 3) **Free full day of training** at our annual MazeLive event,
- 4) Active Partner involvement in your work **every year**,
- 5) Our typed interim Accounting Issues Memorandum,
- 6) Overviews and summaries of upcoming pronouncements and regulation affecting the audited financial statements.
- 7) Direct dump of general ledger data into our ProSystems trial balance software which is fully linked to financial statement formats.

Fees and Billings

Progress billings will be made on the pro-rated audit work completed during the course of the engagement. Our fees are firm fixed prices. In determining our fees, we understand that the District's records will be in condition to be audited; that is, transactions will be properly recorded in the general ledger and subsidiary records, these accounting records and the original source documents will be readily available to use, we will be furnished with copies of bank reconciliations and other reconciliations and analyses prepared by the District and District personnel will be reasonably available to explain procedures, prepare audit correspondence and obtain files and records.

We do not post separate rate structures for municipal audit work. We view this work as being every bit as important and valuable as the work we perform for other clients and we put our best people on it. Any consulting work you request will be performed at the same rates as our audit work.

If the District would like additional services, those can be evaluated and our standard billing rates would apply as follows:

Position	Rate
Partner	\$ 300
Manager	150
Supervisor	120
Associates	95

PROPOSED FEES (Continued)

Total All-Inclusive Maximum Price

	Hours (2)	Hourly Rates (3)	Totals 2022	Optional Extensions			
				2023	2024	2025	2026
Annual Comprehensive Financial Report (ACFR) & Management Letter:							
Partner	15	\$300	\$4,500	\$4,600	\$4,700	\$4,900	\$5,100
Supervisor	39	120	4,600	4,700	4,900	5,100	5,300
Associates	120	90	10,800	11,200	11,600	12,000	12,400
Office	<u>4</u>	70	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>
ACFR & Management Letter:	178		<u>20,200</u>	<u>20,800</u>	<u>21,500</u>	<u>22,300</u>	<u>23,100</u>
Out-of-pocket expenses (1)			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total all-inclusive maximum price:	<u>178</u>		<u>\$20,200</u>	<u>\$20,800</u>	<u>\$21,500</u>	<u>\$22,300</u>	<u>\$23,100</u>

NOTES:

(1) Out-of-pocket expenses are included in our standard hourly rate.

(2) Estimated hours are expected to remain constant.

(3) The hourly rates can be used for any additional work the District may request that would be outside the scope of the audit engagement.



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

Date: September 19, 2022
Subject: White Brenner LLP Legal Services Engagement Agreement
Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A. This item is a result of prior Board actions.

Current Background and Justification:

The Board previously authorized a Request for Proposals (RFP) for legal services and established an ad hoc committee to interview respondents. The interviews resulted in the ad hoc committee's recommended selection, which the Board affirmed.

The RFP provided specific preferences for law firm engagement, e.g. Cost of Living Adjustments and coordination with the District prior to consultations leading to additional charges. Similarly, the Board stipulated a priority for having a say in the assignments within of attorneys.

The selected law firm, White Brenner LLP, has coordinated with staff to draft the engagement agreement included as a document associated with this item.

Conclusion:

The Board should approve the Engagement Agreement with White Brenner LLP.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford ____.

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

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT FOR GENERAL COUNSEL SERVICES ("Agreement") is made and entered into this ____ day of September 2022 (the "Effective Date"), by and between the Rio Linda Elverta Community Water District, a public utility district of the State of California ("RLECWD"), and the law firm of White Brenner LLP, a California limited liability partnership ("Firm"). RLECWD and Firm may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

1. Appointment.

- a. RLECWD hereby retains Firm to provide General Counsel Services required by RLECWD (including such other public agencies or entities selected or appointed by RLECWD), and Firm hereby agrees to perform such legal services. Barbara A. Brenner, Partner of Firm, is hereby appointed General Counsel for RLECWD.
- b. The Firm will coordinate with RLECWD prior to assigning tasks (recurring or otherwise) to attorneys at the Firm other than Barbara A. Brenner.
- c. The Firm will seek concurrence from RLECWD prior to consulting with other staff at the Firm where such consultation will, or is likely to, result in a charge to RLECWD for services.

2. Legal Services.

Legal Services under this Agreement shall include General Counsel Services, detailed as follows:

2.1. General Counsel Services.

- a) Attend Board Meeting when requested by the Board President or Board General Manager either physically or via teleconference.
- b) Advise the Board of Directors and RLECWD staff on Special District government legal matters including the Brown Act and procedures for running meetings, public official conflict requirements, ethics, risk avoidance and legal compliance.
- c) Prepare and/or review District policies, ordinances, resolutions, contracts and other agreements entered into by RLECWD staff as requested by the Board or Board General Manager.
- d) Review and comment in a timely manner on documents prepared by RLECWD staff or Board members, including meeting materials, agendas and correspondence.
- e) Research and submit legal opinions on Special District or other legal matters as requested by the Board or Board General Manager that are not within the areas of law set forth below as "Specialized Services".
- f) Coordinate and manage the services of outside legal counsel for any legal assistance required by the District that falls outside of this contract or the Firm's expertise as requested by the Board.
- g) Interpret laws, rulings and regulations for RLECWD.

{CW115850.1}

- h) Provide written update on new State and Federal legislation and judicial decisions impacting RLECWD and suggest action or changes in operations or procedures to assure compliance.
- i) Examine legal matters to determine advisability of defending or prosecuting lawsuits.
- j) Advise RLECWD concerning transactions of business involving internal affairs, directors, officers and relations with the general public.
- k) Administer matters pertaining to personnel and labor laws as requested by the Board.
- l) Abide by current RLECWD Use of Legal Counsel policy.

2.2. Specialized Services.

Specialized Services include the following items:

- a) Legal advice pertaining to property acquisition and disposal, public improvements, utilities, rights of way and easements.
- b) Prosecution of code violations and formal administrative hearings and litigation regarding code compliance.
- c) All litigation, including both defense of claims against RLECWD and pursuit of legal and judicial remedies to collect damages due to RLECWD.
- d) Advice regarding specialized employment law issues, personnel disciplinary matters, attendance at Skelly hearings, as necessary, and disciplinary hearings, as appropriate.
- e) Construction disputes, such as pursuing performance bonds.
- f) Advice regarding non-routine or specialized matters such as updates to RLECWD's water supply and similar plans, annexations, pursuit of grant or other funding, rate setting, and water right issues.
- g) Advice regarding evaluation, defense, , water quality compliance or defense matters, and other environmental compliance matters.

2.3. Cost Recovery Services.

Cost Recovery Services include the following items:

- a) Matters paid for by RLECWD out of a special fund (rather than the General Fund) or reimbursed by a third party (i.e., developer reimbursable legal fees).
- b) Matters that the RLECWD is authorized to impose and collect fees for the legal services rendered.
- c) Cost Recovery Services may be requested by the RLECWD Board or RLECWD Board President.

Compensation.

3.1. General Counsel Services - RLECWD shall pay the Firm based on the below rates.

Attorneys & Staff	General Counsel Hourly Rate
Partners	228.00
Of Counsels	228.00
Senior Associates	228.00
Associates	228.00
Paralegals	114.00
Law Clerks	114.00

3.2. Specialized Services and Cost Recovery Services - shall be billed to RLECWD at Firm's public client Specialized Services and Cost Recovery Services billing rates, along with any associated expenses (e.g., postage, copy charges, court fees). Specialized legal services include, but are not limited to litigation, , real estate and land and water resources development matters. Cost Recovery legal services include but are not limited to land development matters paid for by a developer. The Firm's Specialized Services and Cost Recovery Services billing rates may be changed from time to time upon thirty (30) days advance notice to RLECWD. Such changes shall be effective without and not require any amendment to this Agreement.

a) As of the date of this Agreement, the Firm's hourly billing rate for attorneys, paralegals and legal staff is as follows:

Attorneys & Staff	Specialized Hourly Rate	Cost Recovery Hourly Rate
Partners	318.00	431.00-509.00
Of Counsels	318.00	431.00-509.00
Senior Associates	318.00	318.00-369.00
Associates	228.00	318.00-369.00
Paralegals	205.00	205.00
Law Clerks	205.00	205.00

3.3. CPI Increase. The rates herein will be adjusted annually in accordance with an increase in the All Urban Consumer Price Index for the West Area ("CPI"), but will not be decreased in the event there is any year-to-year or cumulative decrease in the CPI during the Term (as defined below) of this Agreement. Any increase in rates herein resulting from an increase to the CPI will be rounded up to the nearest dollar. Any changes in Firm's rates shall be based on the October CPI, released every year in November, and shall become effective on January 1st of each year, following a thirty (30) day notice to RLECWD. Notwithstanding the foregoing, at no time shall Firm's rates be increased more than five percent (5%) per year.

{CW115850.1}

3.4. Outside Counsel.

- a) If Firm requires assistance from attorneys not associated or affiliated with Firm who specialize in a specific field, such as tax or bankruptcy, even with regard to services within the scope of the General Counsel Services listed above, Firm will charge and RLECWD agrees to pay the billing rates for those attorneys. Firm shall get the consent of the RLECWD Board prior to engaging any attorney not affiliated or associated with Firm to provide legal services to RLECWD.
- b) The above paragraph does NOT preclude RLECWD from directly engaging another law firm as deemed necessary and appropriate by RLECWD. Such engagement of a particularly experienced and/or specialty area of practice firm is the sole discretion of RLECWD.

3.5. Retainer, Invoices and Statements.

- a) Firm shall provide RLECWD with an itemized statement or invoice for fees, costs and expenses incurred on a periodic basis (generally monthly). All statements and invoices shall indicate the basis for all charges, including the hours worked or cost incurred, the hourly rate, and a brief description of the work performed. Firm will establish separate billing projects for specific matters and funding categories as RLECWD may direct. Reimbursable costs and fees will be separately itemized.
- b) Payments shall be made by RLECWD to Firm within thirty (30) days of receipt of any statement or invoice, except for those specific items on an invoice that are contested or questioned and are returned by RLECWD with a written explanation of the question or contest, within thirty (30) days of receipt of the statement or invoice. Payments made to Firm more than thirty (30) days after the due date shall draw interest at ten percent (10%) per annum except as otherwise set forth herein.

4. Term and Termination

- a) This Agreement shall continue until terminated by RLECWD or Firm upon thirty (30) days advance written notice to the non-terminating party. Upon termination Firm shall be entitled to and RLECWD shall immediately pay all amounts owed to Firm.

5. Attorney's Fees

- a) The prevailing party in any dispute arising from this Agreement shall be allowed reasonable attorney's fees and cost incurred for any legal expenses whether or not arbitration or legal action was necessary to enforce the terms of this Agreement.

6. Independent Contractor.

- a) The Firm shall perform General Counsel services required under this Agreement as an independent contractor of the RLECWD, and shall remain, at all times as to the RLECWD, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the RLECWD, nor any of its employees, shall have any control over the manner, mode, or means by which the Firm, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. RLECWD shall have no voice in the selection, discharge, supervision or control of the law firm employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

7. Conflicts

- a) The Firm has no present or contemplated employment that is adverse to the RLECWD. The Firm agrees that it shall not represent clients in matters, either litigation or non-litigation, against the RLECWD. However, the Firm may have past and present clients or may have future clients, who, from time to time, may have interests adverse to RLECWD, and the Firm reserves the right to represent such clients in matters not connected with its representation of the RLECWD.
- b) If a potential conflict of interest arises in the Firm representation of two clients, if such conflict is only speculative or minor, the Firm shall seek waivers from each client with regards to such representation. However, if real conflicts exist, the Firm would withdraw from representing either client in the matter, and assist them in obtaining special counsel.

8. Professional Liability Coverage

- a) During the term of this Agreement, the Firm shall at all times maintain insurance coverage for professional liability. A Certificate of Insurance shall be provided to the RLECWD within ten (10) days of execution of this Agreement.

9. Amendment.

- a) This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing signed by both Parties. Any changes to the Agreement shall require the approval of RLECWD Board.

10. Severability.

- a) In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement are declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the Parties herein.

11. Counterparts.

This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall be deemed one and the same instrument.

SIGNATURE PAGE TO IMMEDIATELY FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the RLECWD.

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
a California County Water District

By: _____
Timothy R. Shaw, General Manager

Date Signed: _____

WHITE BRENNER LLP
a California Limited liability partnership

By: _____
Barbara A. Brenner, Partner

Date Signed: _____



Items for Discussion and Action
Agenda Item: 4.7

Date: September 19, 2022

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.

This is a standing item, which occurs on every regular meeting agenda. However, in this case, the Executive Committee recommends the Board authorize the following committees:

1. MOU Re-opener Negotiations Ad Hoc Committee.
2. GM Annual Performance Review Ad Hoc Committee.

Conclusion:

As recommended by the September 6th Executive Committee, the Board should authorize the above-described committees and further authorize Board Members assignments for these committees.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford ____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Information Items Agenda Item: 5.1

Date: September 19, 2022

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

DISTRICT ACTIVITY REPORTS

1. Operations Report
2. Completed and Pending Items Report
3. Conservation Report
4. Leak Repair Status Report
5. Trend of Mandates for Water Purveyors
6. State Water Board Report on Water Fees Increases

RIO LINDA/ELVERTA C.W.D. 2022

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

45

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
40.7	40.9	53.6	57	88.2	99.4	
40,708,764	40,949,074	53,558,498	57,044,990	88,179,174	99,413,706	
July	August	Sept.	Oct.	Nov.	Dec.	
110.3	102.7					592.80
110,303,570	102,685,078					
						592,842,854
						79,267,066
						792,571
						1,819

		Monthly Total		
Gallons = Multiply M.G. by:	1,000,000	102,685,078	Gallons	592,842,854
Cubic Feet = Divide gallons by:	7.48	13,727,952	Cubic Feet	79,267,066
Hundred Cu Ft. = Divide cu. ft. by:	100	137,280	Hundred Cubic Feet	792,571
Acre Ft. = Divide gallons by:	325,829	315.15	Acre Ft.	1,819

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
0	0	1 (1)	1 (1)	2 (1)	2 (2)	
July	August	Sept.	Oct.	Nov.	Dec.	
1	1 (1)					8

New Services

New Construction	0	19
Existing Homes	0	1
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4668

Distribution System Failures/Repairs

Deterioration August 1 thru 31	18	62
Damaged August 1 thru 31	0	3

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	20	124
Raw Water Bacteriological Samples (at Wells)	0	28

August 1, 2022 - August 31, 2022

17 - Distribution leaks repaired by District staff, 1 - by Contractor or with Contractor assistance.

Work Orders Issued - 62	Work Orders Completed - 124	USA's Issued - 132
Conservation - 1	Repair or Replace Box - 1	
Disconnect Service - 6	Change Out Meter - 52	
Flow Test - 2	Conservation - 1	
Get Current Read - 3	Disconnect Service - 6	
Hydrant Repair - 1	Flow Test - 2	
Line Leak - 5	Get Current Read - 4	
Lock Service Off - 1	Hydrant Repair - 1	
Other Work - 4	Line Leak - 6	
Possible Leak - 17	Lock Off Service - 1	
Pressure Complaint - 1	Other Work - 3	
Re-Locate Meter - 1	Possible Leak - 22	
Repair - 2	Pressure Complaint - 1	
New Service Quote - 1	Raise/Relocate Existing Service/Box - 3	
Tag Property - 1	Repair - 1	
Turn Off Service - 8	New Service Quote - 1	
Turn On Service - 4	Tag Property - 3	
Usage Complaint - 1	Turn Off/On Service - 13	
	Usage Complaint - 2	
	Water Waster - 1	

RIO LINDA/ELVERTA C.W.D.

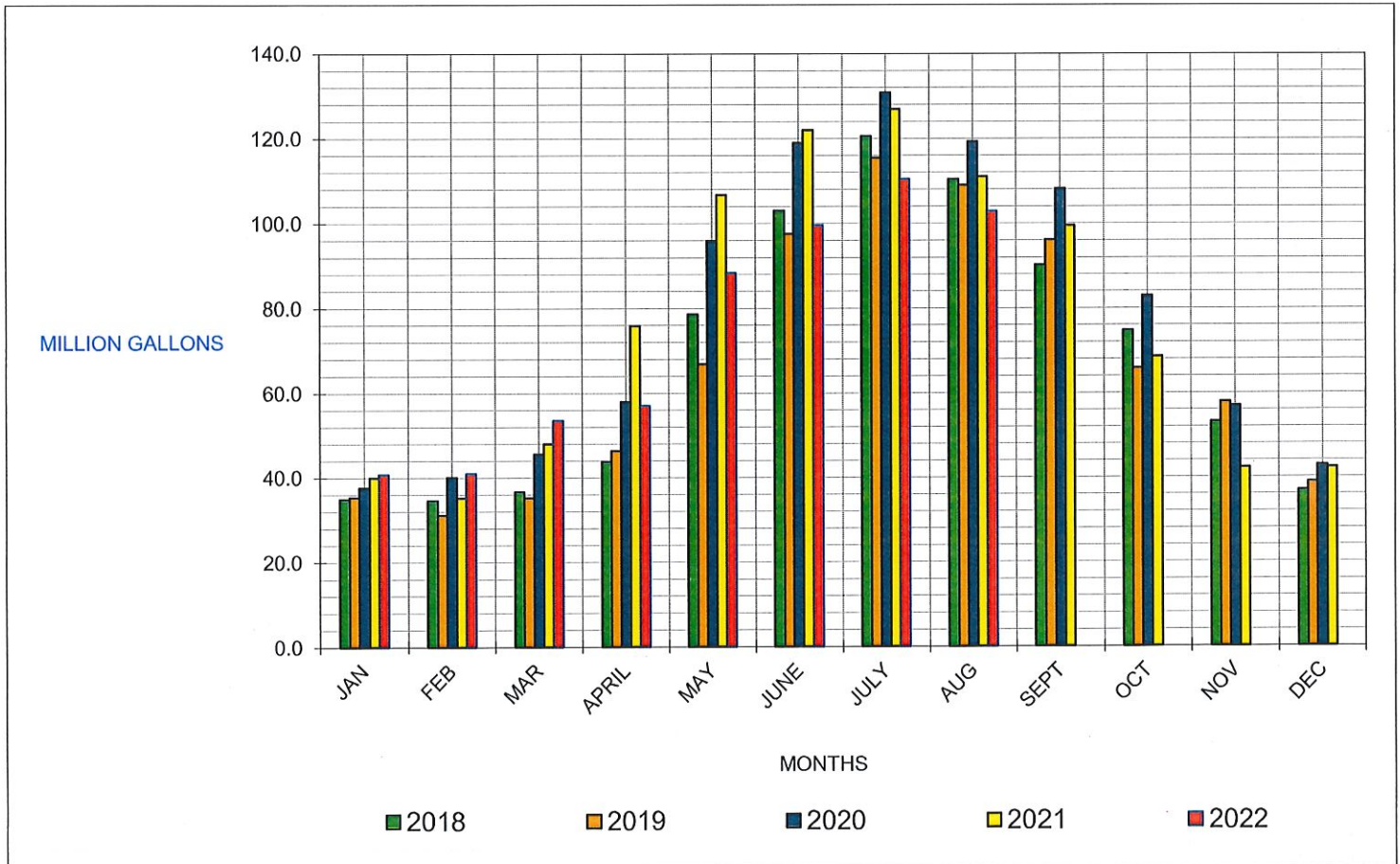
WATER PRODUCTION

2018 \ 2022

Water Production in Million Gallons

SSWD Water Purchases

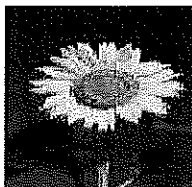
Month	2018	2019	2020	2021	2022	Avg.	2018	2019	2020	2021	2022
JAN	34.8	35.3	37.6	39.9	40.7	37.7	0.0	0.0	0.0	0.0	0.0
FEB	34.5	31.1	40.0	35.2	40.9	36.3	0.0	0.0	0.0	0.0	0.0
MAR	36.5	35.1	45.5	47.9	53.5	43.7	0.0	0.0	0.0	0.0	0.0
APRIL	43.7	46.3	57.9	75.8	57.0	56.1	0.0	0.0	0.0	0.0	0.0
MAY	78.5	66.8	95.9	106.6	88.2	87.2	0.0	0.0	0.0	0.0	0.0
JUNE	102.9	97.5	118.9	121.9	99.4	108.1	0.0	0.0	0.0	0.0	0.0
JULY	120.5	115.4	130.7	126.8	110.3	120.7	0.0	0.0	0.0	0.0	0.0
AUG	110.3	108.9	119.2	110.9	102.7	110.4	0.0	0.0	0.0	0.0	0.0
SEPT	90.1	96.1	108.1	99.4		98.4	0.0	0.0	0.0	0.0	
OCT	74.7	65.8	82.8	68.5		73.0	0.0	0.0	0.0	0.0	
NOV	53.1	57.8	56.9	42.2		52.5	0.0	0.0	0.0	0.0	
DEC	36.8	38.7	42.7	42.2		40.1	0.0	0.0	0.0	0.0	
TOTAL	816.4	794.8	936.2	917.3	592.7	866.2	0.0	0.0	0.0	0.0	0.0





**PENDING AND COMPLETED ITEMS
9-19-2022 BOARD OF DIRECTORS MEETING**

1. **SB-606 and AB-1668 planning for compliance** –RLECWD water use efficiency numbers continue trending in the right direction, and the District continues performing better than average compared to the state as a whole. The District achieved 14% conservation compared to the same month in 2020 (state’s defined criteria), which is almost double the conservation percentage of the rest of the state. **Pending**
2. **Hexavalent Chromium MCL economic feasibility** The State Water Resources Control Board (SWRCB) published the draft notice proposing the re-adoption of the MCL at 10-parts per billion. public comment period concluded at the end of April. I reached out to State Water Board staff for an update on timing, who anticipates publishing the notice of proposed rulemaking in November 2022. **Pending**
3. **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 has focused her efforts on contacting customers identified by AMI software that indicates a continuous use (leak). The District continues to see steady requests for Inov8 devices. **Pending**
4. **Raising iron for the Sacramento County road work at Elkhorn and Rio Linda Blvd** – The Board approved the contract with JCC to raise water boxes. The work by JCC is ongoing **Pending**
5. **Adopting Fiscal Year 2022-2023 Budget** – The Board adopted the fiscal year 2022-2023 budget at the public hearing on August 15th. **Completed**
6. **Adopting the 2020 Update to the Water Shortfall Contingency Plan** – The Board adopted the updated Water Shortfall Contingency Plan at the public hearing on August 15th. **Completed**
7. **Preparing for and negotiating a 2022 Cost of Living Adjustment (COLA) for General Unit employees** – the agenda for the September 19th regular Board meeting includes an item to enable Board consideration for authorizing an ad hoc committee to begin negotiations for the 2022 COLA. The current MOU stipulates a negotiations reopener for COLA if the Unit is unable to use all of the 2.5% credit resulting from the 2021 COLA particulars. **Pending**
8. **Annual Performance Review of the General Manager** – The September 6th Executive Committee recommends the Board authorize the formation of an ad hoc committee to conduct the annual performance evaluation. **Pending**



Conservation Report August 2022



Supplies (kits):	Shower heads(0) Kitchen Aerators(0) Bathroom Aerators(0) Shower Timer(0) Nozzle(0) Toilet Tabs(2) Moisture Meters(0) Water Bottles(0) Toilet Tummy(0) Retro-Fit Kits(0) Welcome Kits(0) Kids Kit(0)
Water Waste	1 Water Waste Call(s)
Water Waste Violation	2 Water Waste Violation
(calls, emails, letter, leaks detected, and fixed):	169 contacted about High Usage using the Billing system 173 contacted about possible leaks using the AMI system - 2 were called, 1 was mailed, 169 were emailed, 1 tag was hung 36 were confirmed resolved
Water Schedule:	given to customers with all violation letters and new applications
Surveys	0
Workshops, Webinar, Meetings:	None
Fines:	None
Other Tasks:	<ul style="list-style-type: none"> ● Assisted with new customers ● Created/completed work orders ● Disconnect properties with no service application ● Notified and offered customers the ACH payment method ● Closed accounts and final billed customers ● Printed stamps ● Mailed out application requests to new owners ● Scanned and uploaded documents into UMS ● Reached out to customers with higher than normal water usage ● Verbal Demands ● Created Report for High Usage Exceptions
Grant Updates:	None

2022 Leak - Repair Tracking

Work Order #	Leak Type	Street	Date Reported	Date Repaired	Days	
1	22863	Service Line	Beamer Way	12/27/2021	1/11/2022	16
2	23003	Service Line	Elwyn Ave	12/16/2022	1/6/2022	20
3	23052	Service Line	24th Street	1/12/2022	1/13/2022	2
4	None	Main	Elkhorn - W2nd St	1/13/2022	1/13/2022	1Hr
5	23106	Service Line	G Street	1/24/2022	1/25/2022	2
6	23109	Service Line	G Street	1/25/2022	1/25/2022	1
7	23110	Service Line	Front Street	1/26/2022	2/3/2022	8
8	23119	Service Line	Elwyn Ave	2/2/2022	2/2/2022	1
9	23120	Service Line	Lilac Ln	2/2/2022	2/5/2022	3
10	23127	Service Line	Blacktop Rd.	2/7/2022	2/7/2022	1
11	23130	Service Line	I Street	2/8/2022	2/9/2022	2
12	23147	Service Line	8th Street	2/16/2022	2/16/2022	1
13	23148	Service Line	Lilac Ln	2/16/2022	2/16/2022	1
14	23152	Service Line	Fallon Woods Wy	2/23/2022	2/28/2022	5
15	23153	Service Line	West U Street	2/24/2022	2/28/2022	4
16	23154	Service Line	Q Street	2/24/2022	2/24/2022	1
17	23168	Service Line	W. 2nd Street	3/9/2022	3/9/2022	1
18	23223	Service Line	K Street	3/21/2022	3/21/2022	1
19	23240	Service Line	10th Street	3/23/2022	3/29/2022	6
20	23225	Service Line	C Street	3/28/2022	3/29/2022	2
21	23225	Service Line	W. E Street (Damaged)	3/29/2022	3/29/2022	0
22	23167	Service Line	G Street	4/10/2022	4/19/2022	9
23	23178	Service Line	Quadra Ave	3/14/2022	4/6/2022	23
24	23273	Service Line	Rio Linda Blvd	4/8/2022	4/8/2022	0
25	23276	Service Line	K Street	4/12/2022	4/12/2022	0
26	23310	Service Line	W 2nd Street	4/29/2022	4/29/2022	0
27	23303	Service Line	Elkhorn Blvd	4/28/2022	4/28/2022	0
28	23318	Service Line	Dry Creek Rd	5/4/2022	5/4/2022	1
29	23329	Service Line	Fallon Place Ct.	5/17/2022	5/17/2022	1
30	N/A* GM Const.	Service Line	Elkhorn Blvd	5/24/2022	5/28/2022	4
31	23357	Service Line	Dry Creek Rd	5/23/2022	6/2/2022	10
32	23390	Service Line	Withington Ave	6/6/2022	6/9/2022	3
33	23393	Service Line	Fallon Woods Way	6/9/2022	6/9/2022	1
34	23393	Service Line	Silver View Way	6/10/2022	6/10/2022	1
35	23396	Service Line	E Street	6/8/2022	6/8/2022	1
36	23399	Service Line	Tuscany Ct	6/13/2022	6/15/2022	2
37	23401	Service Line	G Street	6/16/2022	6/17/2022	1
38	23406	Service Line	C Street	6/22/2022	6/27/2022	5
39	23421	Service Line	Ascot Ave	7/5/2022	7/6/2022	1
40	23428	Service Line	I Street	7/7/2022	7/7/2022	1
41	23432	Service Line	Dry Creek Rd	7/11/2022	7/14/2022	3
42	23435	Service Line	22nd Street	7/15/2022	7/26/2022	11
43	23443	Main	6th Street	7/20/2022	7/20/2022	1

44	23475	Service Line	E Street	7/25/2022	7/27/2022	2
45	23476	Service Line	Dutra Ct	7/25/2022	7/25/2022	1
46	23478	Service Line	Eloise Ave	7/26/2022	7/26/2022	1
47	23478	Service Line	Rio Linda Blvd	7/26/2022	7/26/2022	1
48	23429	Main	G Street	7/8/2022	8/9/2022	32
49	23472	Service Line	Old Mill Wy	7/22/2022	8/4/2022	11
50	23506	Service Line	Sun Acer Wy	8/10/2022	8/16/2022	6
51	23510	Service Line	W Delano St	8/11/2022	8/16/2022	5
52	23512	Service Line	W U St	8/11/2022	8/24/2022	13
53	23513	Service Line	Dry Creek Rd	8/15/2022	8/15/2022	1
54	23520	Service Line	5th Ave	8/16/2022	8/16/2022	1
55	23522	Service Line	O St	8/17/2022	8/22/2022	5
56	23531	Service Line	Fallon Woods Way	8/22/2022	8/24/2022	2
57	23532	Service Line	I Street	8/22/2022	8/23/2022	1
58	23533	Service Line	5th St	8/24/2022	8/29/2022	5
59	23534	Service Line	W 2nd Street	8/24/2022	8/25/2022	1
60	23538	Service Line	24th Street	8/25/2022	8/29/2022	4
61	23539	Service Line	26th Street	8/26/2022	8/31/2022	5
62	23541	Service Line	I Street	8/31/2022	8/31/2022	1
63	23526	Service Line	8th Ave	8/19/2022	8/29/2022	10
64	23537	Service Line	Jubilee Wy	8/25/2022	8/30/2022	5
65	23545	Service Line	22nd Street	8/31/2022	8/27/2022	1



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Executive Committee Agenda Item: 4

Date: September 6, 2022

Subject: Long-Term Trend of New Mandates for Water Purveyors

Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

There is no anticipated Board action related to this item, i.e., informational item

Current Background and Justification:

The Board has received unwarranted criticism regarding the current cost of service, e.g. “the District was managed better 20-years ago because look at the rates back then”. Such criticism is, in staff’s opinion, irrational.

The following is a non-inclusive list of the last 10-years of regulatory/enforcement mandates and new requirements. All of which have added to the cost of providing service.

- SB-555 (2015) annual water loss audit and data validation. This report is uploaded each fall to the Dept. of Water Resources. At RLECDW, one staff member performs the audit and another staff member, which required certification, validates the audit. The audit, validations, and submittal expend at least 40-person hours of staff time. Outsourcing of the validation service would cost the District ratepayers \$3,000 each year.
- US EPA (2003) mandated Emergency Response Plan and associated Risk and Resiliency Assessment. This mandate commenced around 2003 (after 9-11) and was revised with a new requirement to include natural disasters within the past two years. These requirements expend approximately 80-hours of staff time. Outsourcing of this requirement would cost the District ratepayers approximately \$10,000 every time EPA requires re-submittal.
- SB-998 (2018) Discontinuation of Residential Water Service for Non-Payment. This law created substantive additional requirements which must be completed prior to discontinuing of water service. There were already considerable requirements, but this

law at least doubled the workload of documentation. Further, this law created fines for the water agencies at \$100 per day for every day a water customer's service is off if the water agency is not fully compliant with the requirements of SB 998. This new requirement would have resulted in hiring a new position unless the District outsourced other tasks (printing, folding, stuffing, and mailing water bills), the outsourcing costs are directly attributable to SB-998 requirements.

- SB 606 and AB 1668 (2018) Water Use Efficiency Mandates. The District has already expended resources for compliance. The District has been reporting the monthly gallons per day per capita to the DRINQ portal for the last few years. This November, the District will need to draft and submit a plan to the Department of Water Resources to address how the District intends to meet the indoor standard, the outdoor standard, the water loss standard and the Commercial Industrial Institutional standards.
- Urban Water Management Plan new requirements – (2021) Water Supply and Demand Assessments. The District complied with the new requirement in June and July of 2022. The report expended about 40-person hours of staff time.
- Electronic Annual Report (2018) – This comprehensive online report expends approximately 80-hours of staff time. Although this report requirement was codified in 2018, a similar report was mandated via emergency rule making (executive order) during the multi-year drought emergency 2013-2016.
- Mandatory Residential Fire Sprinklers (2011) this building code adopted by California in 2010 has substantial carryover into water distribution. If the sprinkler system is NOT passive purge, the water system must require a backflow prevention device. Additionally, 5/8 and 3/4 inch services are infeasible for creating the minimum flowrate for the fire sprinkler systems, i.e. required a change to the District's specifications. Staff is regularly consulting with the fire protection service, developers and home-builders regarding compliance issues.
- New MCLs - (continuous) the hexavalent chromium MCL re-adoption is nearly complete. The state has already commenced new MCL adoption processes for PFOAs and micro-plastics. The state and federal governments have updated the Lead and Copper monitoring requirements (more monitoring and reporting) and updated the Total Coliform Rule. All of these new and updated limits have both direct and indirect impacts on staff time.
- Underground Services Assessments (USAs), even though this requirement has existed for decades, the number of person hours expended has at least tripled over the past 5-years. There is a new digital submittal requirement, and the amount of infrastructure (pipes, internet cable, road work etc. has intensified, which results in scores of USAs every week.

Conclusion:

There is no anticipated Board action consequent to this item, however, the Committee may wish to share this report with the full board with or without modifications. Members of the public

have tended to assume everything associated with water service has stayed the same, which means increased rates are unwarranted.

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Forwarded From Sept 6th Exec Committee

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION - DIVISION OF ADMINISTRATIVE SERVICES
SEPTEMBER 20, 2022

ITEM 6

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION ADOPTING EMERGENCY REGULATIONS AMENDING DRINKING WATER FEE SCHEDULES IN TITLE 22, SECTION 64305 OF THE CALIFORNIA CODE OF REGULATIONS.

DISCUSSION

Health and Safety Code section 116565, subdivision (d) provides that the State Water Resources Control Board (State Water Board) "shall set the amount of total revenue collected each year through the fee schedule at an amount equal to the amount appropriated by the Legislature in the annual Budget Act from the Safe Drinking Water Account for expenditure for the administration of this chapter, taking into account the reserves in the Safe Drinking Water Account." On April 4, 2017, the State Water Board adopted drinking water fee regulations contained in title 22, division 4, chapter 14.5, sections 64300, 64305, 64310, and 64315 of the California Code of Regulations. Health and Safety Code section 116565, subdivision (e)(1) requires the State Water Board to adopt any subsequent adjustments to the fees for public water systems as emergency regulations in accordance with chapter 3.5 (commencing with section 11340) of part 1 of division 3 of title 2 of the Government Code.

Financial Condition of the Safe Drinking Water Account (SDWA)

As shown in Attachment 1, total budgetary expenditures for FY 2022-23 are expected to increase 14.3 percent from approximately \$34.6 million in FY 2021-22 to \$39.6 million in FY 2022-23, resulting primarily from increased staff costs and three budget change proposals (BCPs): Lead and Copper Rule Revision and Regulatory Development, San Diego Primacy Delegation Agreement Termination, and Drought Planning for Nontransient Noncommunity Water Systems (SB 552). Additionally, the FY 2021-22 Water Resilience and Drought Package BCP provided for 14 staff positions in FY 2021-22, of which 5 were held until FY 2022-23.

After taking into consideration expected revenue staff anticipates needing to increase fees by approximately 14.1 percent for FY 2022-23 to cover expenditures and maintain a prudent 5 percent fund reserve.

PROPOSED CHANGES

To bring revenues in line with expenditures and maintain a prudent reserve, staff recommends adjusting the fees for wholesalers, nontransient noncommunity, transient noncommunity, and community water systems as shown in Attachment 2.

POLICY ISSUE

Should the State Water Board adopt the proposed amendments to the drinking water fee regulations?

FISCAL IMPACT

The FY 2022-23 Budget Act includes expenditure authority for the SDWA of approximately \$39.6 million. The proposed fee schedule changes will ensure the projected revenue for the SDWA, when added to the projected fund balance from FY 2021-22, meets the FY 2022-23 budget expenditures.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed resolution to amend the regulations as proposed by staff.



Information Items
Agenda Item: 5.2

Date: September 19, 2022

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

BOARD REPORTS

1. Report ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Sacramento Groundwater Authority (Harris (primary))
3. Executive Committee – Gifford, Ridilla
4. ACWA/ACWA JPIA

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

September 6, 2022 @ 6:00 P.M. 54

New Beginnings Fellowship Church
 7008 10th Street
 Rio Linda, CA 95673

The meeting was called to order at 6:00 P.M. The meeting was attended by Director Gifford, Director Green, General Manager Tim Shaw, and Contract District Engineer Mike Vasquez. (Note, Director Ridilla had pre-noticed his unavailability for this meeting and the Chair (Director Green) planned to and did attend the meeting).

Call to Order: 6:00 P.M.

Public Comment: *There were no members of the public in attendance*

Items for Discussion:

1.	Engineers Update
<i>The Contract District Engineer presented his written report and provided additional detail on the pipe replacement project permitting, Fox Hallow meter installations, Urban Water Management Plan submittal to Sacramento County and the raising iron progress at Elkhorn and Rio Linda Blvd.</i>	
2.	Fiscal Year 2022-2023 Budget Revision
<i>The General Manager presented his written report, then expounded upon the need for the revisions and the source of the funding to bridge the shortfall (fiscal year 2022/2023 pipe replacement project funding). The General Manager also conveyed that their maybe more revisions needed if the trend toward spiraling cost escalations (e.g. insurance, solid waste, internet, uniform service etc) continues.</i>	
<i>The Executive Committee forwarded the budget revision onto the September 19th Board agenda with the Committee's recommendation for Board approval.</i>	
3.	Professional Services Agreement with Independent Auditor
<i>The General Manager submitted his written report, which summarized the Request For Proposals (RFP) process. Staff completed the evaluation of proposals and selected the proposal for the most qualified respondent (Maze). Staff drafted a Professional Services Agreement using the standardized, Board approved form.</i>	
<i>The Executive Committee forwarded this item onto the September 19th Board agenda with the Committee's recommendation for Board approval.</i>	
4.	Discuss the Past Several Years of Regulatory / Enforcement New Mandates
<i>The General Manager presented his written report. Director Gifford commented on the astonishing number of person-hours expended on these mandates.</i>	
<i>Director Gifford requested, and Director Green agreed, to forward this item as informational onto the September 19th Board agenda.</i>	
5.	Discuss the process for annual performance review of the General Manager.
<i>The General Manager presented his written report, then the Executive Committee engaged in general discussion on the annual performance review process compared to the agenda item, closed session, at the August 15th meeting.</i>	
<i>The Executive Committee directed staff to place an item on the September 19th agenda to enable Board consideration for establishing a GM performance review ad hoc committee.</i>	

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6. Discuss the Appropriateness for Establishing MOU Re-opener Negotiations Ad Hoc Committee.

The General Manager presented his written report and summarized the requirement in the current MOU for re-opening negotiations on Cost of Living Adjustments (COLA) if the specified criteria for re-opening negotiations is met. Although the pace of inflations seems to have flattened, it seems unlikely that inflation will diminish sufficiently to avoid the need to re-opening negotiations once the official report from the Bureau of Labor Statistics is published in mid-November.

The Executive Committee directed staff to place an item on the September 19th Board agenda to enable Board consideration for establishing an MOU Re-Opener for COLA negotiations.

7. Discuss Expenditures for July 2022.

The Executive Committee briefly discussed the invoice from White Brenner for July services with particular focus on the charges for internal consultations within the firm.

The Executive Committee forwarded the Expenditures onto the September 19th Board agenda with the Committee's recommendation for Board approval.

8. Discuss Financial Reports for July 2022.

The Executive Committee forwarded the Financial Report onto the September 19th Board agenda with the Committee's recommendation for Board approval.

Directors' and General Manager Comments: Brief discussion on the methods / rates for inoperable meters at other water agencies in our region.

Items Requested for Next Month's Committee Agenda: None

Adjournment: 6:52 P.M.

Next Executive Committee meeting: October 4, 2022 Visitors/Depot 6730 Front St., Rio Linda, CA 95673