

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

NOVEMBER 16, 2020 (6:30 p.m.)

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH EXECUTIVE ORDER N-29-20, ISSUED BY CALIFORNIA GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT.

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

Join Zoom Meeting
<https://us02web.zoom.us/j/89168970596?pwd=UmxjS0ZZSFZsTUVPV2FTZFd6MIRKdz09>
Meeting ID: 891 6897 0596
Passcode: 657819
Dial by your location
408 638 0968 US

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

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

October 19, 2020

The Board is being asked to approve the Minutes from the October 19, 2020 Regular Board Meeting.

3.2. Expenditures

The Finance & Administrative Committee recommends the Board approve the September Expenditures.

3.3. Financial Reports

The Finance & Administrative Committee recommends the Board approve the September Financial Reports.

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

4.1. Consider Authorizing Engaging the Services of a Municipal Finance Advisor to Explore and Implement Mitigation Measures in Response to Sharp Increases in Annual Unfunded Accrued Liability (UAL) Payments.

4.2. GM Report

4.2.1. The General Manager, Tim Shaw will provide his monthly report to the Board of Directors.

4.3. District Engineer's Report

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

4.4. Consider Nominating a RLECW Board Member to Serve on the Sacramento County LAFCo Special Districts Advisory Committee.

4.5. Consider Customer Requests for Board Review of Billing Issues.

4.6. Consider Approving the Proposed New Customer Service Technician II Position Description and Associated Pay Scale.

4.7. Consider "Protesting" the Proposed Rate Increase by Sacramento County Solid Waste.

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

5. INFORMATION ITEMS

5.1. District Activities Reports

5.1.1. Water Operations Report

5.1.2. Conservation Report

5.1.3. Completed and Pending Items Report

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), Reisig

5.2.3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3- Reisig

5.2.4. Executive Committee – Jason Green, Robert Reisig

5.2.5. ACWA/JPIA – Ridilla

6. PUBLIC COMMENT PRIOR TO CLOSED SESSION

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

7.1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 case).

8. RECONVENE IN OPEN SESSION

8.1. Announce any reportable actions authorized in closed session.

9. DIRECTORS' AND GENERAL MANAGER COMMENTS

10. ADJOURNMENT

Upcoming meetings:

Executive Committee

December 7, 2020, Monday, 6:00pm remote meeting, no in-person attendance.

Board Meeting

December 21, 2020, Monday, 6:30 pm remote meeting, no in-person attendance.



**Consent Calendar
Agenda Item: 3.1**

Date: November 16, 2020

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____ Reisig_____.

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

**MINUTES OF THE
OCTOBER 19, 2020
PUBLIC HEARING AND BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The October 19, 2020 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. via Zoom Video Conference. This meeting was held in accordance with executive order n-29-20, issued by California governor Gavin Newsom on March 17, 2020, the Ralph M. Brown act (California government code section 54950, et seq.), and the federal Americans with disabilities act. General Manager Tim Shaw took roll call of the Board of Directors. President Jason Green, Director Robert Reisig, Director Mary Harris, General Manager Tim Shaw, and Legal Counsel Kerry Fuller were present. Director Chris Gifford was absent.

2. PUBLIC COMMENT

3. CONSENT CALENDAR

3.1 Minutes - September 21, 2020

3.2 August Expenditures

3.3 August Financial Reports

No public comment.

It was moved by Director Harris and seconded by Director Ridilla to approve the Consent Calendar. Directors Green, Reisig, Ridilla, and Harris voted yes. Director Gifford was absent. The motion carried with unanimous roll call vote of 4-0-0.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

The Board voted to move agenda item 4.5 up to the front of the agenda to be discussed since the public was present.

4.5 Consider customer requests for Board review of billing issues.

Current District policy stipulates that the full Board consider customer's request for waivers, reversal of charges, refunds etc. Included with your Board packets are the customers' request forms (plural). Tim Shaw explained to the Board that included in the packet was a request for dispute of the usage charges from the owner Dede.

Public member Dede was present for the zoom video meeting. She states she has had the same tenant for the last 10 years with the same consumption pattern. However, the last 2 billing cycles have been increasingly high. She stated after speaking with the office staff that the electronic system indicated the equipment stopped ready on August 6th and she feels there is something wrong with the District's equipment.

GM Shaw informed the public member that the District has a policy that the customer can pay to have the meter tested. If the test comes back in the customers favor, then the credit could be issued. GM Shaw informed the public member, Dede that he suggests that the bill be paid and then it can be investigated further.

Legal counsel concurred with GM Shaw that the District policy states to pay the current bill and then it can be reviewed further. GM Shaw asked Dede to reach out to him the following morning.

The Board reviewed the second customer dispute request. Director Reisig asked GM Shaw if the District ever received the customers check. GM Shaw was unsure and would ask the Board to table for the November meeting if necessary.

It was moved by the Board to table to the November if necessary.

4.1 General Manager's Report

GM Shaw provided a written report.

No public comment on this item.

The Board made no action on this item

4.2 District Engineer's Report – Mike Vasquez

Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering and Well 16 Pumping Station Construction Project.

No public comment on this item.

The Board made no action on this item.

4.3 Consider accepting the Independent Auditor's Report for Fiscal Year 2019-2020.

Statutory requirements as well as fundamentals of transparency, fiscal responsibility, and good governance compel the District to obtain an independent audit for each fiscal year.

Once again, the audit report reflects the District's excellence in financial reporting. As appropriate, the Management Discussion and Analysis section of the report provides perspective for the District's financial position in a narrative format intended to objectively inform the public we serve.

It was moved by Director Ridilla and seconded by Director Reisig to approve the Independent Auditor's Report for the FY 2019-2020. Directors Reisig, Harris, Ridilla and Green voted yes. Director Gifford was absent. The motion carried with unanimous roll call vote of 4-0-0.

4.4 Consider authorizing Legal Counsel review of agreements and similar documents associated with engaging a financial advisor services provider to explore and implement mitigations for the rapid escalations in CalPERS annual unfunded accrued liability (UAL) payments.

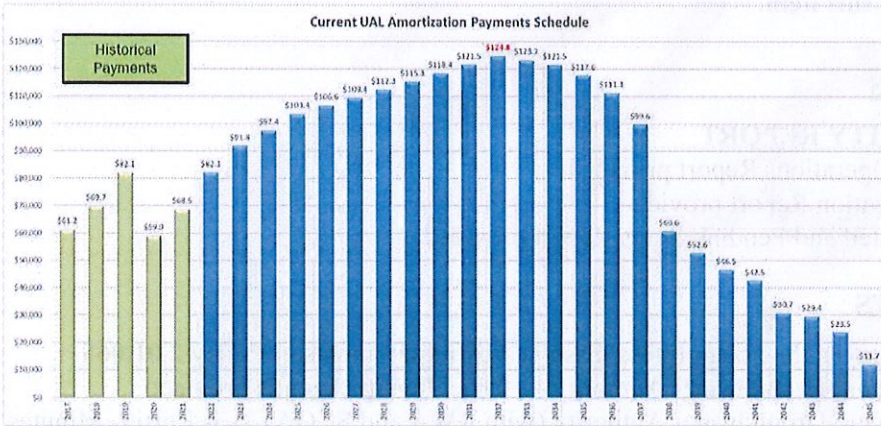
Dovetailing from the above described committee recommendation; CalMuni Advisors et al submitted "engagement documents" via email on October 13th. These engagement documents were more extensive and complex than previously envisioned. If the Board concludes the District should move forward and procure the finance services of CalMuni Advisors or another qualified services provider, engagement documents will need to be reviewed by Legal Counsel. Because an attorney for CalMuni drafted the documents, experience in similar circumstances shows that it is not uncommon for the review-revise-review cycles to become extensive and costly. In some cases, the money spent on finalizing the agreements is disproportionate to the stipulated charges in the agreement, e.g. \$20,000 in legal fees to review a \$30,000 contract. Due to the time constraints beset by the October 13th submittal of engagement documents, and the complexity of those documents, the agenda item associated with the Committee's recommendation has intentionally been modified to focus on Board authorization for Legal Counsel review.

The windfall of time to review complex and legally significant engagement documents presents an opportunity to consider additional service providers (in addition to CalMuni Advisors) and more thoroughly evaluate the options for mitigating the sharp escalations in annual UAL payments. The

original thinking behind the Committee forwarding the action items including the engagement documents (sans review by Committee) was the impact of the sharp escalations in the District’s operating cost to the currently ongoing (nearly complete) cost of service analysis and rate structure study. The intension was to avoid delays and revisions in the cost of services analysis /rate study by enabling the Board to authorize and quantify mitigations for the sharply escalating operating costs associated with annual UAL payments.

The annual Unfunded Accrued Liability (UAL) payment is a minimum payment on the unfunded accrued liability. Over the past decade, skyrocketing UALs are directly responsible for cities and other municipalities declaring bankruptcy. In simple terms, the UAL is the total amount the District owes the pension fund in order for the pension fund to meet the District’s obligations to its employees (past and present) for the current set of facts, assumptions and circumstances. Even though the District may have made every one of the required normal costs payments for every pay period, an unfunded liability is created whenever something changes, e.g. the facts, assumptions, or circumstances change. In a timely example, the CalPERS pension fund investments did not perform as assumed for the past two fiscal years, i.e. the return on investment was less than 7% for both 2019 and 2020. Whenever that happens, the District’s UAL increases.

An illustration of how dramatically the annual UAL payment can increase is the difference between they July 2020 payment of approximately \$68,000 and the anticipated July 2021 payment of approximately \$82,000 an increase of more than 20%. A similar large percentage increase is currently projected for July 2022. The figure below illustrates the sharp escalations in annual UAL payments assuming the District does nothing to offset the escalations and further assuming no additional changes to the pension’s performance and assumptions, e.g. under performing, changing the default rate of return, updating mortality stats etc.



A large influence on the amount the District pays in annual UAL payments is interest. The UAL is financed over 20-years. The District’s current UAL is approximately \$1.1 million. Assuming nothing changes, good or bad, the District will pay over \$900,000 in interest for the \$1.1 million debt at 7% interest over the next 20-years. The debt the District owes to the CalPERS pension fund is the most expensive debt the District has. If the District borrowed \$1.1 million at 3.5% interest, paid down the current UAL and made loan payments instead of UAL payments, the District would substantively save the ratepayers/taxpayers money for the next 20-years. Alternatively, if the District pays down the debt faster by paying more than the minimum annual UAL payment and stipulates the Additional Discretionary Payment be applied to a specific amortization base, the resultant re-amortization would also reduce the subsequent annual UAL minimum payments.

The rate structure study and cost of service analysis has been underway for months. I have confirmed that the draft cost of service analysis performed by the consultant had inadvertently not yet contemplated large (20%) increases in annual UAL payments. The operating costs and budgets data provided to the consultant by staff for employment costs were consolidated into one figure (as opposed to expressing pay

and pension costs separately). Commensurate with the data format provided by staff, the consultant applied a conservative inflation adjustment (e.g. Cost of Living Adjustments) to the anticipated employment costs. A 20% increase in UAL payments is far greater than the typical 2.5% inflation adjustment. The consultant has confirmed the cost of service analysis, as currently drafted, needed to be revised and the recommended rates increases over the 5-years span of the rate adjustment process will need to be revised accordingly. This cause and effect presume the District does not take any mitigation measures to offset (completely or partially) the impact of the sharp increases in annual UAL payments currently forecasted by CalPERS. This is one of the reasons this topic was on the Executive Committee agenda and why Committee forwarded the service provider engagement onto the October 19th Board agenda.

The appropriate Board actions under the above described facts and circumstances would be to consider authorizing Legal Counsel review of any engagement documents related to contracting with an appropriately qualified financial services provider to explore and implement mitigations of the escalating annual UAL payments. It may be appropriate to request an estimate of the costs from Legal Counsel for such review.

It was moved by Director Ridilla and seconded by Director Green to authorize legal to review engagement document for a finance advisor services provider. Directors Reisig, Harris, Ridilla and Green voted yes. The motion carried with unanimous vote of 4-0-0.

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

No public comment on this item.

The Board took no action on this item.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

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

5.2. BOARD REPORTS

- 5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
- 5.2.2. Sacramento Groundwater Authority – Harris, Reisig. Agenda provided.
- 5.2.3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3- Reisig- Minutes provided.
- 5.2.4. Executive Committee – Green, Reisig - Minutes provided.
- 5.2.4. ACWA/JPIA – Ridilla - No Report

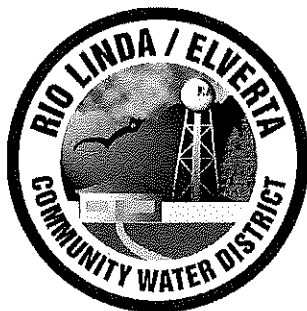
6. DIRECTORS' AND GENERAL MANAGER COMMENTS – Director Reisig brought up Sacramento Sewer rate increase Prop 218. GM Shaw stated the District would need to vote on this at the next Board Meeting held in November.

7. ADJOURNMENT

Director Green adjourned the meeting at 8:04 p.m.
Respectfully submitted,

Timothy R. Shaw, Secretary

Jason Green, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: November 16, 2020

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the month of September 2020.

Current Background and Justification:

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

Conclusion:

I recommend the Board approve the Expenditures for September 2020.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

**Rio Linda Elverta Community Water District
Expenditure Report
September 2020**

| Type | Date | Num | Name | Memo | Amount |
|-----------------|------------|------|---|---|-----------|
| Liability Check | 09/09/2020 | EFT | QuickBooks Payroll Service | For PP Ending 09/05/20 Pay date 09/10/20 | 17,440.87 |
| Liability Check | 09/10/2020 | EFT | CalPERS | For PP Ending 09/05/20 Pay date 09/10/20 | 2,875.32 |
| Liability Check | 09/10/2020 | EFT | CalPERS | For PP Ending 09/05/20 Pay date 09/10/20 | 1,106.49 |
| Liability Check | 09/10/2020 | EFT | Internal Revenue Service | Employment Taxes | 6,885.68 |
| Liability Check | 09/10/2020 | EFT | Employment Development | Employment Taxes | 1,352.34 |
| Liability Check | 09/10/2020 | EFT | Nationwide | Deferred Compensation Plan: Employer & Employee Share | 1,378.44 |
| Bill Pmt -Check | 09/10/2020 | EFT | Adept Solutions | Computer Maintenance | 1,333.00 |
| Bill Pmt -Check | 09/10/2020 | EFT | Comcast | Phone/Internet | 236.06 |
| Bill Pmt -Check | 09/10/2020 | EFT | PG&E | Utilities | 49.46 |
| Bill Pmt -Check | 09/10/2020 | EFT | Republic Services | Utilities | 84.19 |
| Bill Pmt -Check | 09/10/2020 | EFT | Verizon | Field Communication, Field IT | 666.95 |
| Bill Pmt -Check | 09/10/2020 | EFT | Umpqua Bank CC | Computer, Postage, Safety, Shop Supplies, Transportation Maint. | 376.24 |
| Transfer | 09/10/2020 | EFT | RLECWD | Umpqua Bank Monthly Debt Service Transfer | 16,500.00 |
| Check | 09/10/2020 | 1399 | Customer | Final Bill Refund | 254.85 |
| Bill Pmt -Check | 09/10/2020 | 1400 | ACWA/JPIA Powers Insurance Authority | EAP | 25.70 |
| Bill Pmt -Check | 09/10/2020 | 1401 | CoreLogic Solutions | Metro Scan | 134.75 |
| Bill Pmt -Check | 09/10/2020 | 1402 | County of Sacramento | Permit Fees | 121.00 |
| Bill Pmt -Check | 09/10/2020 | 1403 | Demsey, Filliger & Associates | Auditor Fees | 500.00 |
| Bill Pmt -Check | 09/10/2020 | 1404 | EKI Environment & Water | Engineering-August | 5,000.00 |
| Bill Pmt -Check | 09/10/2020 | 1405 | Fechter & Company CPA | Auditor Fees | 9,865.00 |
| Bill Pmt -Check | 09/10/2020 | 1406 | ICONIX Waterworks | Distribution Supplies | 140.08 |
| Bill Pmt -Check | 09/10/2020 | 1407 | Intermedia.net | Phone/Internet | 95.19 |
| Bill Pmt -Check | 09/10/2020 | 1408 | Lechowicz & Tseng Municipal Consultants | Professional Fees-Rate Study August 2020 | 4,945.00 |
| Bill Pmt -Check | 09/10/2020 | 1409 | Pacific Shredding | Office Expense | 27.00 |
| Bill Pmt -Check | 09/10/2020 | 1410 | Rio Linda Elverta Recreation & Park | Meeting Fee | 50.00 |
| Bill Pmt -Check | 09/10/2020 | 1411 | Rio Linda Hardware & Building Supply | Shop Supplies | 199.69 |
| Bill Pmt -Check | 09/10/2020 | 1412 | Sacramento County Utilities | Utilities | 113.70 |
| Bill Pmt -Check | 09/10/2020 | 1413 | Sacramento Groundwater Authority | Annual Dues 2020-21 | 26,112.00 |
| Bill Pmt -Check | 09/10/2020 | 1414 | Safety-Kleen Systems | Transportation Maintenance | 244.03 |
| Bill Pmt -Check | 09/10/2020 | 1415 | Sierra Chemical Company | Chemical Supplies | 861.30 |
| Bill Pmt -Check | 09/10/2020 | 1416 | SMUD | Utilities | 24,302.93 |
| Bill Pmt -Check | 09/10/2020 | 1417 | Spok, Inc. | Field Communication | 15.30 |
| Bill Pmt -Check | 09/10/2020 | 1418 | Vanguard Cleaning Systems | Janitorial | 195.00 |
| Bill Pmt -Check | 09/10/2020 | 1419 | EKI Environment & Water | Capital Improvement: Well 16 | 46,858.50 |
| Bill Pmt -Check | 09/10/2020 | 1420 | Ferguson Enterprises | Capital Improvement: Small Meter Replacement | 4,137.60 |
| Bill Pmt -Check | 09/16/2020 | EFT | WageWorks | FSA Administration Fee | 76.25 |
| Bill Pmt -Check | 09/17/2020 | EFT | ARCO | Transportation Fuel | 707.42 |
| Liability Check | 09/21/2020 | EFT | QuickBooks Payroll Service | For PP Ending 09/19/20 Pay date 09/24/20 | 17,579.81 |
| Liability Check | 09/24/2020 | EFT | CalPERS | For PP Ending 09/19/20 Pay date 09/24/20 | 2,852.32 |
| Liability Check | 09/24/2020 | EFT | CalPERS | For PP Ending 09/19/20 Pay date 09/24/20 | 1,106.49 |
| Liability Check | 09/24/2020 | EFT | Internal Revenue Service | Employment Taxes | 6,867.48 |
| Liability Check | 09/24/2020 | EFT | Employment Development | Employment Taxes | 1,338.83 |



**Rio Linda Elverta Community Water District
Expenditure Report
September 2020**

| Type | Date | Num | Name | Memo | Amount |
|---|------------|------|------------------------------------|--|--------------------------|
| Liability Check | 09/24/2020 | EFT | Kaiser Permanente | Health Insurance | 2,178.78 |
| Liability Check | 09/24/2020 | EFT | Principal | Dental & Vision Insurance | 1,363.75 |
| Liability Check | 09/24/2020 | EFT | Western Health Advantage | Health Insurance | 9,358.06 |
| Liability Check | 09/24/2020 | 1421 | Teamsters Local | Union Dues-Employee Paid | 776.00 |
| Bill Pmt -Check | 09/24/2020 | 1422 | BSK Associates | Lab Fees | 1,450.00 |
| Bill Pmt -Check | 09/24/2020 | 1423 | Buckmaster Office Solutions | Office Equipment Expense | 49.35 |
| Bill Pmt -Check | 09/24/2020 | 1424 | Churchwell White | July & August Legal Fees; Elverta Specific Plan - Reimbursed | 1,160.40 |
| Bill Pmt -Check | 09/24/2020 | 1425 | Henrici, Mary | Retiree Health Insurance | 900.00 |
| Bill Pmt -Check | 09/24/2020 | 1426 | ICONIX Waterworks | Distribution Supplies | 1,687.37 |
| Bill Pmt -Check | 09/24/2020 | 1427 | OPUS Bank | Surcharge 2 Loan Payment | 159,200.65 |
| Bill Pmt -Check | 09/24/2020 | 1428 | O'Reilly Automotive | Transportation Maintenance | 124.24 |
| Bill Pmt -Check | 09/24/2020 | 1429 | RDO Equipment Co. | Construction Equipment Maintenance | 1,628.28 |
| Bill Pmt -Check | 09/24/2020 | 1430 | Sacramento Suburban Water District | Regional Collaboration Project | 910.77 |
| Bill Pmt -Check | 09/24/2020 | 1431 | Sierra Chemical Company | Chemical Supplies | 1,284.32 |
| Bill Pmt -Check | 09/24/2020 | 1432 | Staples | Office Expense | 35.31 |
| Bill Pmt -Check | 09/24/2020 | 1433 | UniFirst Corporation | Uniforms | 291.65 |
| Total 10000 - Bank - Operating Account | | | | | <u>387,410.99</u> |

Rio Linda Elverta Community Water District
Expenditure Report
 September 2020

| Type | Date | Num | Payee | Memo | Amount |
|------------------------------------|------------|-----|--------|-----------------------------------|--------------------------|
| Check | 09/24/2020 | EFT | RLECWD | Transfer Surcharge 2 Loan Payment | 159,200.65 |
| 10375 · Surcharge Account 2 | | | | | <u>159,200.65</u> |

| Type | Date | Num | Payee | Memo | Amount |
|-----------------------------------|------------|-----|--------|---|-------------------------|
| Transfer | 09/10/2020 | EFT | RLECWD | CIP Expense Transfer: Refer to operating check numbers: 1419 | 46,858.50 |
| 10385 · OPUS Bank Checking | | | | | <u>46,858.50</u> |

| Type | Date | Num | Payee | Memo | Amount |
|--|------------|-----|--------|---|------------------------|
| Transfer | 09/10/2020 | EFT | RLECWD | CIP Expense Transfer: Refer to operating check numbers: 1420 | 4,137.60 |
| 10475 · Capital Improvement-Umpqua Bank | | | | | <u>4,137.60</u> |





**Consent Calendar
Agenda Item: 3.3**

Date: November 16, 2020

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 September 2020.

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 September 2020.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District

Balance Sheet

As of September 30, 2020



ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10020 · Operating Fund-Umpqua 611,716.00

Total 10000 · Operating Account 611,716.00

10475 · Capital Improvement

10480 · General 1,577,847.69

10482 · Future Capital Imp Projects 193.75

10485 · Vehicle Replacement Reserve 15,000.00

Total 10450 · Capital Improvement 1,593,041.44

Total 100 · Cash & Cash Equivalents 2,204,757.44

102 · Restricted Assets

102.2 · Restricted for Debt Service

10700 · ZIONS Inv/Surcharge Reserve 525,115.83

10300 · Surcharge 1 Account 750,780.85

10350 · Umpqua Bank Debt Service 87,204.22

10380 · Surcharge 2 Account 137,835.62

10385 · OpusBank Checking 2,221,062.02

Total 102.2 · Restricted for Debt Service 3,721,998.54

102.4 · Restricted Other Purposes

10600 · LAIF Account 305,282.96

10650 · Operating Reserve Fund 301,653.92

Total 102.4 · Restricted Other Purposes 606,936.88

Total 102 · Restricted Assets 4,328,935.42

Total Checking/Savings 6,533,692.86

Accounts Receivable 505,120.00

Other Current Assets

12000 · Water Utility Receivable 701,048.35

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 2,013.77

15000 · Inventory Asset 68,727.94

16000 · Prepaid Expense 113,041.70

Total Other Current Assets 1,389,951.76

Total Current Assets 7,923,644.62

Fixed Assets

17000 · General Plant Assets 709,029.25

17100 · Water System Facilities 21,062,191.17

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -9,894,836.59

18000 · Construction in Progress 2,498,738.27

18100 · Land 576,673.45

Total Fixed Assets 15,324,838.97

Other Assets

19000 · Deferred Outflows 227,638.00

19900 · Suspense Account 0.00

Total Other Assets 227,638.00

TOTAL ASSETS 23,476,121.59

Rio Linda Elverta Community Water District

Balance Sheet

As of September 30, 2020

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 79,053.86

Credit Cards 0.00

Other Current Liabilities 834,188.63

Total Current Liabilities 913,242.49

Long Term Liabilities

23000 · OPEB Liability 115,693.00

23500 · Lease Buy-Back 656,542.27

25000 · Surcharge 1 Loan 3,833,912.47

25050 · Surcharge 2 Loan 2,790,040.16

26000 · Water Rev Refunding 1,806,855.00

27000 · Community Business Bank 244,415.94

29000 · Net Pension Liability 1,055,771.00

29500 · Deferred Inflows-Pension 20,431.00

29600 · Deferred Inflows-OPEB 82,332.00

Total Long Term Liabilities 10,605,992.84

Total Liabilities 11,519,235.33

Equity

31500 · Invested in Capital Assets, Net 8,842,880.46

32000 · Restricted for Debt Service 705,225.24

38000 · Unrestricted Equity 2,121,928.59

Net Income 286,851.97

Total Equity 11,956,886.26

TOTAL LIABILITIES & EQUITY 23,476,121.59

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
 As of September 30, 2020

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| | <u>Annual Budget</u> | <u>Sep 20</u> | <u>Jul-Sep 20</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--|----------------------|-------------------|-------------------|---------------------------|----------------------------------|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Total 40000 · Operating Revenue | 2,719,575.00 | 408,662.52 | 735,857.07 | 27.06% | 1,983,717.93 |
| 41000 · Nonoperating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 400.00 | 15.78 | 46.32 | 11.58% | 353.68 |
| Surcharg Total 41110 · Investment Revenue | 400.00 | 15.78 | 46.32 | 11.58% | 353.68 |
| 41120 · Property Tax | 88,500.00 | 0.00 | 2,418.40 | 2.73% | 86,081.60 |
| Total 41000 · Nonoperating Revenue | 88,900.00 | 15.78 | 2,464.72 | 2.77% | 86,435.28 |
| Total Income | <u>2,808,475.00</u> | <u>408,678.30</u> | <u>738,321.79</u> | <u>26.29%</u> | <u>2,070,153.21</u> |
| Gross Income | 2,808,475.00 | 408,678.30 | 738,321.79 | 26.29% | 2,070,153.21 |
| Expense | | | | | |
| 60000 · Operating Expenses | | | | | |
| 60010 · Professional Fees | 135,000.00 | 21,404.77 | 33,763.66 | 25.01% | 101,236.34 |
| 60100 · Personnel Services | | | | | |
| 60110 · Salaries & Wages | 729,867.00 | 53,783.56 | 161,497.97 | 22.13% | 568,369.03 |
| 60150 · Employee Benefits & Expense | 489,145.00 | 34,847.23 | 95,075.27 | 19.44% | 394,069.73 |
| Total 60100 · Personnel Services | <u>1,219,012.00</u> | <u>88,630.79</u> | <u>256,573.24</u> | <u>21.05%</u> | <u>862,438.76</u> |
| 60200 · Administration | 205,010.00 | 20,857.21 | 66,489.78 | 32.43% | 138,520.22 |
| 64000 · Conservation | 300.00 | 0.00 | 0.00 | 0.00% | 300.00 |
| 65000 · Field Operations | 436,400.00 | 34,996.71 | 91,747.83 | 21.02% | 344,652.17 |
| Total 60000 · Operating Expenses | <u>1,995,722.00</u> | <u>165,889.48</u> | <u>448,574.51</u> | <u>22.48%</u> | <u>1,547,147.49</u> |
| 69000 · Non-Operating Expenses | | | | | |
| 69010 · Debt Service | | | | | |
| 69100 · Revenue Bond | | | | | |
| 69105 · Principle | 145,736.00 | 0.00 | 0.00 | 0.00% | 145,736.00 |
| 69110 · Interest | 57,490.00 | 0.00 | 0.00 | 0.00% | 57,490.00 |
| Total 69100 · Revenue Bond | <u>203,226.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00%</u> | <u>203,226.00</u> |
| 69125 · AMI Meter Loan | | | | | |
| 69130 · Principle | 48,281.00 | 0.00 | 24,703.02 | 51.17% | 23,577.98 |
| 69135 · Interest | 10,233.00 | 0.00 | 4,553.94 | 44.50% | 5,679.06 |
| Total 69125 · AMI Meter Loan | <u>58,514.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>50.00%</u> | <u>29,257.04</u> |
| Total 69010 · Debt Service | <u>261,740.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>11.18%</u> | <u>232,483.04</u> |
| 69400 · Other Non-Operating Expense | 2,000.00 | 0.00 | 0.00 | 0.00% | 2,000.00 |
| Total 69000 · Non-Operating Expenses | <u>263,740.00</u> | <u>0.00</u> | <u>29,256.96</u> | <u>11.09%</u> | <u>234,483.04</u> |
| Total Expense | <u>2,259,462.00</u> | <u>165,889.48</u> | <u>477,831.47</u> | <u>21.15%</u> | <u>1,781,630.53</u> |
| Net Ordinary Income | <u>549,013.00</u> | <u>242,788.82</u> | <u>260,490.32</u> | | |
| Net Income | <u>549,013.00</u> | <u>242,788.82</u> | <u>260,490.32</u> | | |

Accrual Basis

Rio Linda Elverta Community Water District
CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2020-21
 As of September 30, 2020

| | GENERAL | | VEHICLE REPLACEMENT | | FUTURE CAPITAL IMPROVEMENT PROJECTS | |
|--|-------------------|------------------|---------------------|------------|-------------------------------------|------------|
| | Annual Budget | YTD Actual | Annual Budget | YTD Actual | Annual Budget | YTD Actual |
| FUNDING SOURCES | | | | | | |
| Fund Transfers | | | | | | |
| Operating Fund Transfers In | 549,013.00 | 137,250.00 | - | - | - | - |
| CIP Fund Intrafund Transfers | (456,670.00) | - | 75,000.00 | - | 381,670.00 | - |
| Beginning Balance Redistribution | (1,396,338.00) | - | - | - | 1,396,338.00 | - |
| Surcharge 2 Surplus Repayment | 107,171.00 | - | - | - | - | - |
| Investment Revenue | - | - | - | - | 3,500.00 | 193.75 |
| 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 | 9,114.98 | - | - | - | - |
| B-2 · Small Meter Replacements | 120,000.00 | 35,361.72 | - | - | - | - |
| B-3 · Large Meter Replacements | 5,000.00 | - | - | - | - | - |
| Total B · WATER DISTRIBUTION | 155,000.00 | 44,476.70 | - | - | - | - |
| TOTAL BUDGETED PROJECT EXPENDITURES | 195,000.00 | 44,476.70 | - | - | - | - |

Rio Linda Elverta Community Water District
Capacity Revenue Profit & Loss Budget Performance
 July - September 2020

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| | <u>Annual Budget</u> | <u>Jul-Sept 20 Current QTR</u> | <u>Jul 20-Sept 20 YTD</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|--------------------------------------|-------------------------|--|-------------------------------|-----------------------------------|--|
| Income | | | | | |
| 41000 · Non-Operating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 2,000.00 | 1,081.95 | 1,081.95 | 54.1% | 918.05 |
| | <u>2,000.00</u> | <u>1,081.95</u> | <u>1,081.95</u> | <u>54.1%</u> | <u>918.05</u> |
| 44100 · Capacity Fee Revenue | 60,000.00 | 14,556.93 | 14,556.93 | 24.26% | 45,443.07 |
| Total Income | <u>62,000.00</u> | <u>15,638.88</u> | <u>15,638.88</u> | <u>25.22%</u> | <u>46,361.12</u> |
| Gross Income | <u>62,000.00</u> | <u>15,638.88</u> | <u>15,638.88</u> | 25.22% | 46,361.12 |
| Net Income | <u><u>62,000.00</u></u> | <u><u>15,638.88</u></u> | <u><u>15,638.88</u></u> | | |

Rio Linda Elverta Community Water District
Surcharge 1 Profit & Loss Budget Performance
 July - September 2020

| | <u>Annual Budget</u> | <u>Jul-Sept 20 Current QTR</u> | <u>Jul 20-Sept 20 YTD</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|---------------------------------------|----------------------|------------------------------------|-------------------------------|-----------------------------------|--|
| Income | | | | | |
| 41000 · Non-Operating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41111 · Dividend Revenue | 0.00 | 16.50 | 16.50 | 100.0% | -16.50 |
| 41112 · Interest Revenue | 11,000.00 | 2,194.38 | 2,194.38 | 19.95% | 8,805.62 |
| 41113 · Market Value Adjustment | 0.00 | -400.43 | -400.43 | 100.0% | 400.43 |
| | <u>11,000.00</u> | <u>1,810.45</u> | <u>1,810.45</u> | <u>16.46%</u> | <u>9,189.55</u> |
| 43010 · Surcharge 1 Revenue | <u>523,374.00</u> | <u>115,663.57</u> | <u>115,663.57</u> | <u>22.1%</u> | <u>407,710.43</u> |
| Total Income | <u>534,374.00</u> | <u>117,474.02</u> | <u>117,474.02</u> | <u>21.98%</u> | <u>416,899.98</u> |
| Gross Income | 534,374.00 | 117,474.02 | 117,474.02 | 21.98% | 416,899.98 |
| Expense | | | | | |
| 69150 · Surcharge 1 Loan | | | | | |
| 69155 · Principle | 360,494.24 | 0.00 | 0.00 | 0.0% | 360,494.24 |
| 69160 · Interest | 100,860.31 | 0.00 | 0.00 | 0.0% | 100,860.31 |
| 69170 · Admin Fees | 2,100.00 | 569.99 | 569.99 | 27.14% | 1,530.01 |
| Total 69150 · Surcharge 1 Loan | <u>463,454.55</u> | <u>569.99</u> | <u>569.99</u> | <u>0.12%</u> | <u>462,884.56</u> |
| Total Expense | <u>463,454.55</u> | <u>569.99</u> | <u>569.99</u> | | |
| Net Income | <u>70,919.45</u> | <u>116,904.03</u> | <u>116,904.03</u> | | |

Rio Linda Elverta Community Water District
Surcharge 2 Profit & Loss Budget Performance
 July - September 2020

11

| | <u>Annual Budget</u> | <u>Jul-Sept 20 Current QTR</u> | <u>Jul 20-Sept 20 YTD</u> | <u>% of Annual Budget</u> | <u>YTD Annual Budget Balance</u> |
|---------------------------------------|----------------------|------------------------------------|-------------------------------|-------------------------------|--|
| Income | | | | | |
| 41000 · Non-Operating Revenue | | | | | |
| 41110 · Investment Revenue | | | | | |
| 41112 · Interest Revenue | 800.00 | 1,007.09 | 1,007.09 | 125.89% | -207.09 |
| | <u>800.00</u> | <u>1,007.09</u> | <u>1,007.09</u> | <u>125.89%</u> | <u>-207.09</u> |
| 43050 · Surcharge 2 Revenue | 439,019.00 | 96,295.25 | 96,295.25 | 21.93% | 342,723.75 |
| Total Income | <u>439,819.00</u> | <u>97,302.34</u> | <u>97,302.34</u> | <u>22.12%</u> | <u>342,516.66</u> |
| Gross Income | 439,819.00 | 97,302.34 | 97,302.34 | 22.12% | 342,516.66 |
| Expense | | | | | |
| 69175 · Surcharge 2 Loan | | | | | |
| 69180 · Principle | 220,000.00 | 110,000.00 | 110,000.00 | 50.0% | 110,000.00 |
| 69185 · Interest | 96,597.32 | 49,200.65 | 49,200.65 | 50.93% | 47,396.67 |
| Total 69175 · Surcharge 2 Loan | <u>316,597.32</u> | <u>159,200.65</u> | <u>159,200.65</u> | <u>50.29%</u> | <u>157,396.67</u> |
| Total Expense | <u>316,597.32</u> | <u>159,200.65</u> | <u>159,200.65</u> | | |
| Net Income | <u>123,221.68</u> | <u>-61,898.31</u> | <u>-61,898.31</u> | | |



PMIA/LAIF Performance Report as of 10/07/20



PMIA Average Monthly Effective Yields⁽¹⁾

| | |
|-----|-------|
| Sep | 0.685 |
| Aug | 0.784 |
| Jul | 0.920 |

Quarterly Performance Quarter Ended 06/30/20

| | |
|--|--------------------|
| LAIF Apportionment Rate ⁽²⁾ : | 1.47 |
| LAIF Earnings Ratio ⁽²⁾ : | .00004012766505335 |
| LAIF Fair Value Factor ⁽¹⁾ : | 1.004912795 |
| PMIA Daily ⁽¹⁾ : | 1.08% |
| PMIA Quarter to Date ⁽¹⁾ : | 1.41% |
| PMIA Average Life ⁽¹⁾ : | 191 |

*Revised 7/21/2020 per State Controller's Office

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 08/31/20 \$113.8 billion

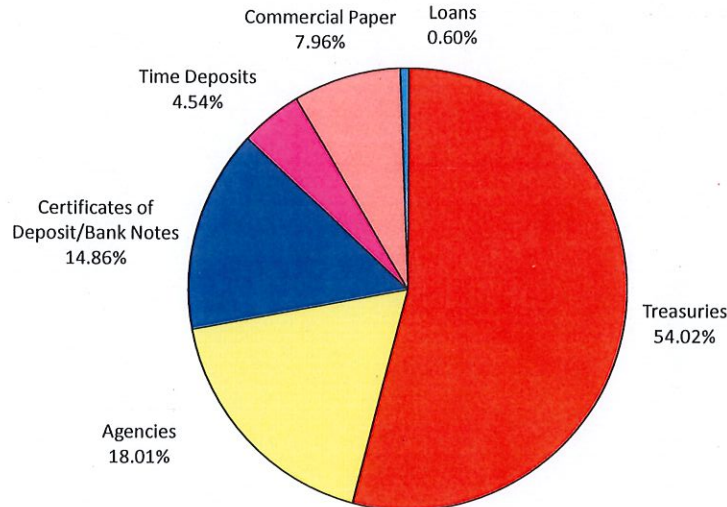


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



Items for Discussion and Action

Agenda Item: 4.1

Date: November 16, 2020

Subject: Engagement of Municipal Finance Advisor for UAL Mitigation

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded an item onto the November 16th Board agenda to allow Board consideration of engagement with Fieldman Rolapp. The Executive Committee recommends the Board approve the engagement documents.

Current Background and Justification:

The October 5th Executive Committee, October 19th Board meeting and November 5th Executive Committee have continued to refine the District's approach for mitigating the sharp increases in annual Unfunded Accrued Liability (UAL) payments to CalPERS. The ongoing dialog has included a definitive preference for Additional Discretionary Payments as a primary means for reducing the annual minimum UAL payments. As such, the emphasis on external borrow, e.g. pension obligation loans have been deemphasized, making the CalMuni Advisors proposal and associated engagement documents less compatible with the District's interests and focus.

The Fieldman Rolapp proposal is based on the time and materials method of engagement, i.e. it does not revolve around the funding of a municipal loan. The Fieldman Rolapp approach is to evaluate several scenarios of Additional Discretionary Payments to lower the District's UAL and thereby lower the annual minimum UAL payments moving forward.

Pursuant to the action taken by the Board of Directors at the October 19th meeting, Legal Counsel has already reviewed the Fieldman Rolapp engagement agreement. Both sides efficiently agreed to a final document for Board consideration.

Conclusion:

I recommend the Board approve the engagement of Fieldman Rolapp for exploring and implementing means to decrease the District's UAL and associated annual payments to CalPERS, and further authorize the execution of all documents appurtenant to the engagement of Fieldman Rolapp.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

RLECWD Agenda Item Checklist

Item 4.1

Date

Initial Potential Meeting Date

11/16/2020

Circle High/~~Medium~~/Low priority of Item and Identify if in line with Mission/
Goal/~~Strategic Planning~~ issues or state of emergency

Consider Authorizing Engaging the Services of a Municipal Finance Advisor to Explore and Implement Mitigation Measures in Response to Sharp Increases in Annual Unfunded Accrued Liability (UAL) Payments.

10/5/2020, 10/19/2020, 11/2/2020

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

11/2/2020

Review by appropriate ~~Executive~~ or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

11/6/2020

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

11/12/2020

Actual Meeting Date Set for Agenda Item

11/16/2020

**PROFESSIONAL SERVICES AGREEMENT
FOR MUNICIPAL ADVISOR**

This agreement has been entered into this 16th day of November, 2020 by and between the Rio Linda / Elverta Community Water District (the "District") and Fieldman, Rolapp & Associates, Inc. (herein, the "Consultant").

WHEREAS, the District desires independent municipal advisory services to be performed in connection with evaluating and analyzing funding options for the District's unfunded accrued pension liability (herein, the "Project"); and

WHEREAS, the District desires to retain the professional and technical services of the Consultant for the purpose of the Project (as more fully described in Exhibit A, the "Services");

WHEREAS, the Consultant is well qualified to provide professional financial advice to entities such as the District;

WHEREAS, the Consultant is registered as a municipal advisor with both the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board;

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants and conditions hereinafter set forth, it is agreed as follows:

Section 1 Municipal Advisory Services.

Consultant will provide services in connection with the Project as such Services are fully described in Exhibit A attached to this Agreement. Consultant is engaged in an expert financial advisory capacity to the District only. It is expressly understood that the Services rendered hereunder are rendered solely to the District. Consultant does not undertake any responsibility to review disclosure documents on behalf of owners or beneficial owners of bonds or debt which may arise from the Consultant's work hereunder.

Section 2 Additional Requested Services (Amendment of Services).

The District may request that Consultant provide additional services beyond the scope of those referenced in Section 1 above and specifically listed in Exhibit A to this Agreement. The Services to be provided under this Agreement may only be amended by a modification as provided for in Section 6.

Section 3 Compensation

3.01 For Consultant's performance of Services as described in this Agreement, the Consultant's compensation will be as provided in of Exhibit B attached to this Agreement.

3.02 Payment of Consultant's expenses shall be made at the time and in the form as provided for in Exhibit B to this Agreement.

- 3.03 Unless otherwise specified, payment of Consultant's compensation and expenses is due thirty (30) days after submission of Consultant's invoice for Services.
- 3.04 In the event District abandons the Services of the Consultant prior to completion of Consultant's work, Consultant shall be compensated for Services performed to the point of abandonment at the hourly rates specified in Exhibit B. An act of abandonment shall be deemed to have occurred when no action has been taken by the District relative to the services of the Consultant for a period of nine (9) months from the date of the initial performance of a service, and there has been a written notification to the Consultant of an abandonment of the Project by the District.
- 3.05 The schedule of Consultant fees set forth in this Agreement and Exhibit B is guaranteed by Consultant for a period of twenty-four (24) months from the date of this Agreement.

Section 4 Personnel.

Consultant has, or will secure, all personnel required to perform the Services under this Agreement. Consultant shall make available other qualified personnel of the firm as may be required to complete Consultant's services. The District has the right to approve or disapprove any proposed changes in Consultant's staff providing service to the District. The District and Consultant agree that such personnel are employees only of Consultant and shall not be considered to be employees of the District in any way whatsoever.

Section 5 Term of Agreement.

This Agreement shall continue in full force and effect until the Services with respect to the Project have been completed unless terminated by either party by not less than thirty (30) days written notice to the other party except that the Agreement shall continue in full force and effect until completion of the Services or until an abandonment shall have occurred as described in Section 3.04 hereof. This Agreement may be extended from time to time as agreed by the District and the Consultant pursuant to Section 6.

Section 6 Modification.

This Agreement contains the entire agreement of the parties. It may be amended in whole or in part from time to time by mutual consent of the parties; provided that the Disclosures (as defined herein) required by Section 16 will be updated by the Consultant as required by law. This shall not prohibit the District and Consultant from entering into separate agreements for other services.

Section 7 Work Products.

All work products or any form of property developed by the Consultant in providing the Services shall be provided to the District on request. Work products developed by the Consultant shall be the property of the District, provided that Consultant may use such work products developed for the District and may employ

those work products to develop refinements or additional work products in the course of its business.

Section 8 Assignment.

The rights and obligations of the District under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the District. This Agreement may not be assigned by the Consultant without the consent of the District except for compensation due Consultant.

Section 9 Disclosure.

Consultant does not assume the responsibilities of the District, nor the responsibilities of the other professionals and vendors representing the District, in the provision of services and the preparation of the financing documents, including initial and secondary market disclosure, for financings undertaken by the District. Information obtained by Consultant and included in any disclosure documents is, by reason of experience, believed to be accurate; however, such information is not guaranteed by Consultant.

Section 10 Confidentiality.

The Consultant agrees that all financial, statistical, personal, technical and other data and information designated by the District as confidential shall be protected by the Consultant from unauthorized use or disclosure. The District acknowledges that the Consultant is required to comply with applicable laws governing disclosure of public information.

Section 11 Indemnification.

The District and Consultant shall each indemnify and hold harmless the other from and against any and all losses, claims, damages, expenses, including legal fees for defense, or liabilities (collectively, "damages"), to which either may be subjected by reason of the other's acts, errors or omissions, except however, neither will indemnify the other from or against damages by reason of changed events and conditions beyond the control of either or errors of judgment reasonably made.

Section 12 Insurance.

- 12.01 Consultant shall maintain workers' compensation and employer's liability insurance during the term of this Agreement.
- 12.02 Consultant, at its own expense, shall obtain and maintain insurance at all times during the term of this Agreement. Such insurance must be written with a Best Guide "A"-rated or higher insurance carrier admitted to write insurance in the state where the work is located.
- 12.03 Insurance coverages shall not be less than the following:

A. Workers' Compensation

1. State worker's compensation statutory benefits
 2. Employer's Liability - policy limits of not less than \$1,000,000
- B. Comprehensive General Liability coverage with policy limits of not less than \$1,000,000 combined single limit for bodily injury and property damage and including coverage for the following:
1. Premises operations
 2. Contractual liability
 3. Products
 4. Completed operation
- C. Errors and omissions with policy limits of \$2,000,000.
- 12.04 If requested, certificates of insurance naming the District as an additional insured shall be submitted to the District evidencing the required coverages, limits and locations of operations to which the insurance applies, and the policies of insurance shall contain a 30 day notice of cancellation or non-renewal.

Section 13 Permits/Licenses.

The Consultant shall obtain any permits or licenses, as may be required for it to complete the Services required under this Agreement.

Section 14 Binding Effect.

- 14.01 A waiver or indulgence by the District of a breach of any provision of this Agreement by the Consultant shall not operate or be construed as a waiver of any subsequent breach by the Consultant.
- 14.02 All agreements contained herein are severable and in the event any of them shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein, and the remaining provisions of this Agreement shall not be affected by such determination and shall remain in full force and effect. This Agreement shall not fail because any part or any clause hereof shall be held indefinite or invalid.
- 14.03 Each party hereto represents and warrants that this Agreement has been duly authorized and executed by it and constitutes its valid and binding agreement, and that any governmental approvals necessary for the performance of this Agreement have been obtained.

Section 15 Choice of Law.

The validity, interpretation and construction of this Agreement and of each part hereof shall be governed by the laws of the State of California. Venue for any lawsuit concerning this Agreement is Sacramento County, California.

**EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT FOR MUNICIPAL ADVISOR
BY AND BETWEEN
THE RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
AND
FIELDMAN, ROLAPP & ASSOCIATES, INC.**

Scope of Services

A. General Services.

The Consultant shall perform all the duties and services described in Section 1 of this Agreement and shall provide such other services as it deems necessary or advisable to accomplish the Project, consistent with the standards and practice of professional financial advisors prevailing at the time such services are rendered to the District.

The District may, with the concurrence of Consultant, expand this Agreement to include Additional Services not specifically identified within the terms of this Agreement. Any Additional Services may be described in an addendum to this Exhibit A and are subject to compensation described in Exhibit B to this Agreement.

B. Pension Liability Advance Funding Options Analysis.

The Consultant's services will include the following: i) Analyze the District's current unfunded pension liability with CalPERS and identify and analyze potential funding strategies; ii) Discuss/work with District staff to develop several initial/limited set of scenarios; iii) Work with CalPERS actuaries/create financial model to develop potential unfunded pension liability funding scenarios; iv) Develop presentations illustrating funding scenarios and provide recommendations regarding general funding approaches; v) Attend Finance Committee and Board Meetings to provide overview of presentation and steps completed above; vi) Other related work as directed by the District.

**EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT FOR MUNICIPAL ADVISOR
BY AND BETWEEN
THE RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
AND
FIELDMAN, ROLAPP & ASSOCIATES, INC.**

Compensation and Expenses

Hourly Compensation

For Services and Additional Services referenced in Section 1 and Section 2 of this Agreement, the Consultant will be compensated at the hourly rates provided below. The not-to-exceed fee to be paid under this proposal is \$14,500, which is inclusive of any expenses, unless there is a mutual agreement to increase the not-to-exceed amount due to additional required services. The table below reflects the rates in effect as of the date of execution of this Agreement. Hourly Compensation will be billed on a monthly basis.

| <u>Personnel</u> | <u>Hourly Rate</u> |
|---|--------------------|
| Executive Officer | \$370.00 |
| Principal | \$340.00 |
| Executive / Senior Vice President | \$325.00 |
| Vice President | \$270.00 |
| Assistant Vice President | \$230.00 |
| Senior Associate | \$195.00 |
| Associate | \$175.00 |
| Analyst | \$110.00 |
| Administrative Assistant | \$85.00 |
| Clerical | \$50.00 |

Expenses

Expenses will cover, among other things, travel, lodging, subsistence, overnight courier, conference calls, and computer charges. Advances made on behalf of the District for costs of preparing, printing or distributing disclosure materials or related matter whether by postal services or electronic means, may also be billed through to the District upon prior authorization.

Limiting Terms and Conditions

The above compensation is based on completion of work orders within twelve months of the District's authorization to proceed and assumes that the District will provide all necessary information in a timely manner.

Abandonment

If, once commenced, the services of the Consultant are terminated prior to completion of our final report for any reason, the Consultant will be compensated for professional services and reimbursed

for expenses incurred through the time of receive notification of such termination at the standard hourly rates shown above.

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT FOR MUNICIPAL ADVISOR
BY AND BETWEEN
THE RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
AND
FIELDMAN, ROLAPP & ASSOCIATES, INC.

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to all material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. With respect to all aspects of the relationship between Consultant and the District, Consultant adheres to its fiduciary duty to the District, which includes a duty of loyalty to the District in performing all municipal advisory activities for the District. The duty of loyalty obligates Consultant to deal honestly and with the utmost good faith with the District and to act in the District's best interest without regard to any interest Consultant has or may have. Consultant has a wide range of clients so our success and profitability are not dependent on maximizing short-term revenue generated from individual recommendations to our clients but is instead dependent on long-term profitability based on a foundation of integrity, quality and adherence to our fiduciary duty. Furthermore, Consultant's supervisory structure provides strong safeguards against individual representatives of Consultant violating their duty due to personal interests.

Consultant makes the following representations to the District with regard to the Services:

- A. Other than the compensation described in the Agreement, we have no other interest, direct or indirect, that would interfere with or impair in any matter or degree the performance of our obligations. During our work on the Services, we do not intend to acquire or obtain any such interest, direct or indirect. If any such interest is acquired or obtained, we will immediately advise the District.
- B. We have not provided any gift or consideration to any officer, employee or agent of the District to either obtain the Agreement or any assignment from the District, including the Services. Neither our firm, nor its officers or employees will provide any such gift or consideration to any officer, employee or agent of the District to influence decisions with regard the Services or our obligations under the Agreement.

Information Regarding Legal Events and Disciplinary Actions

MSRB Rule G-42 requires that municipal advisors provide their clients disclosures of legal or disciplinary events material to the evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Consultant sets out required disclosures and related information below:

- A. There are no legal or disciplinary events material to the District's evaluation of Consultant or the integrity of Consultant's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I with the Securities and Exchange Commission (the "SEC").

Consultant's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001612429>

{CW099005.1} RIO LINDA ELVERTA COMMUNITY WATER DISTRICT/FIELDMAN, ROLAPP &
ASSOCIATES Exhibit C, Page 1

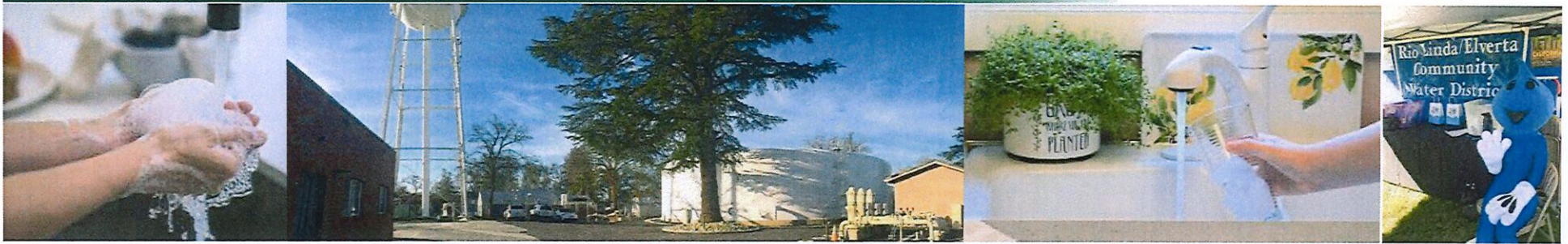
FRA Project No. TBD

FINAL Engagement Agreement with Fieldman Rolapp Financial Advisors 11-16-2020

Contents of Client Brochure

The MSRB requires us to provide you with the following information: Consultant is registered as a “Municipal Advisor” pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC and the MSRB.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.



Pension Liability Funding Options

November 16, 2020

Anna Sarabian, Principal
(949) 660-7308 direct
asarabian@fieldman.com



District Pension Plan Summary



Background – Annual Payments to CalPERS

- ⇒ Each year, the District makes two types of payments to CalPERS:
 1. **Normal Cost (NC) = Annual cost for current employees**
 - ✓ Cannot be prepaid or paid down
 2. **Unfunded Accrued Liability (UAL): Actuarial Liability MINUS Actuarial Value of Assets**
 - ✓ How much we currently have vs. how much we need to have in the future when people actually retire
 - ✓ Shortfall not repaid all at once but amortized over a longer period of time with the District paying down a portion each year (principal and interest)
 - Currently, CalPERS amortizes this debt at a rate of 7%
 - UAL comprised of multiple components (amortization bases) with amortization periods generally ranging from 5 to 30 years



Increasing CalPERS Costs

Before:

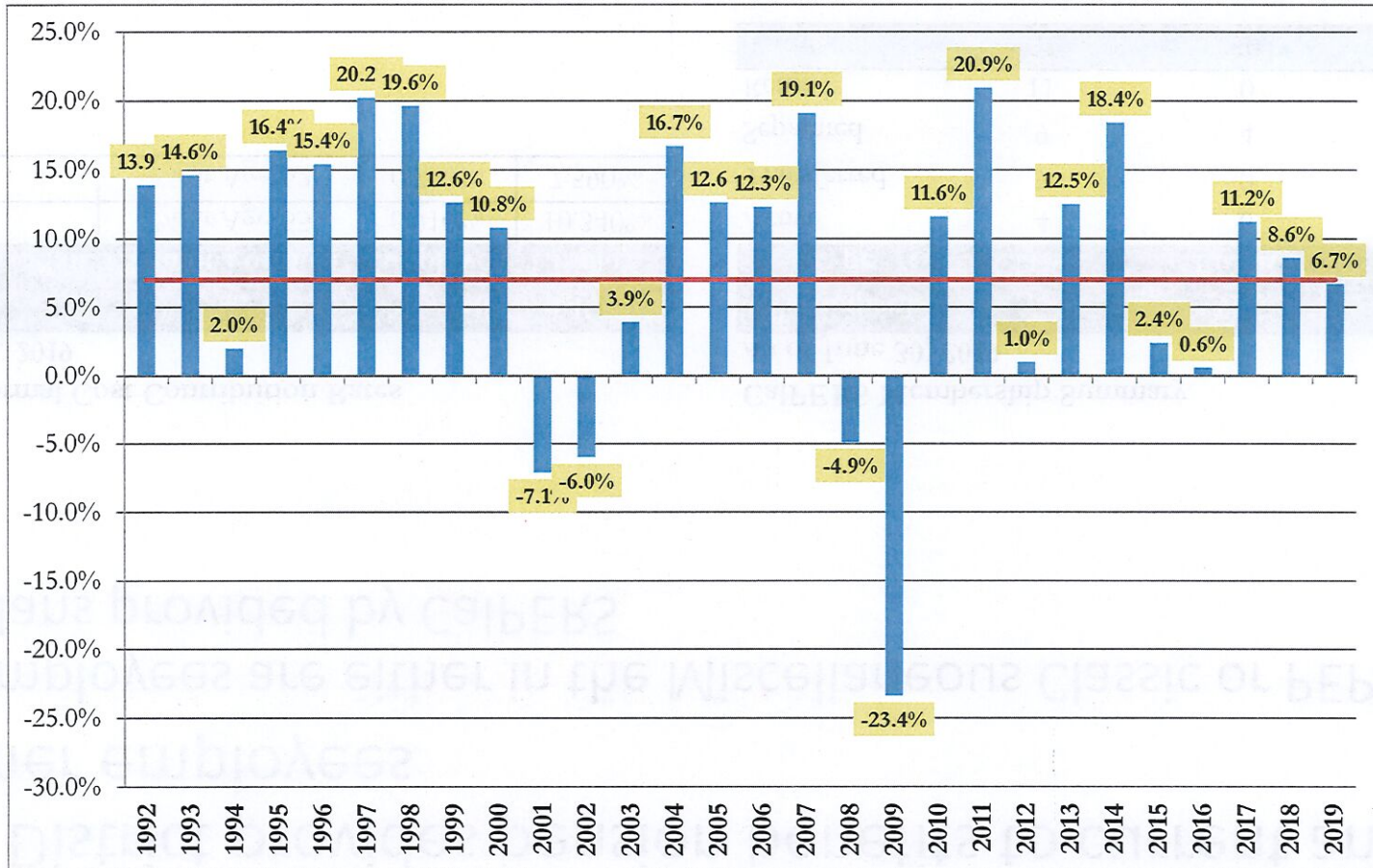
- Robust PERS investment returns (10%+) and “Super-Funded” through the 1990s
- In 2000 SB 400/ AB 616 increased benefits retroactively
- Dot-com crash in early 2000s dropped investment returns to -6% and -7%
- Loss of Super-Funded status
- Great Recession caused significant investment losses (approx. 30%)
- As of 2018, CalPERS was approximately 70% funded

Now:

- Sluggish investment growth (<6%)
- Changing assumptions
 - Expected returns: 8.25% → 7.75 in 2003; 7.75% → 7.50% in 2013; 7.00% by 2020
 - Mortality rates (people live longer)
- District unfunded liability is rapidly growing



Historical PERS Rate of Return



CalPERS Historical Returns

- 30-Year: 8.0%
- 1-Year: 4.7%



CalPERS Membership Summary

- The District provides pension benefits to current and former employees
 - Employees are either in the Miscellaneous Classic or PEPRA Plans provided by CalPERS

Plans and Normal Cost Contribution Rates

As of June 30, 2019

| Miscellaneous Plan | Benefit Formula | Normal Cost Rates | |
|--------------------|-----------------|-------------------|----------|
| | | Employee | Employer |
| Classic Plan | 2% at Age 55 | 6.910% | 10.340% |
| PEPRA Plan | 2% at Age 62 | 6.750% | 7.590% |

CalPERS Membership Summary

As of June 30, 2019

| Participant Type | Classic | PEPRA | Total |
|------------------|-----------|-----------|-----------|
| Active | 4 | 6 | 10 |
| Transferred | 7 | 0 | 7 |
| Separated | 9 | 4 | 13 |
| Retired | 11 | 0 | 11 |
| Total | 31 | 10 | 41 |

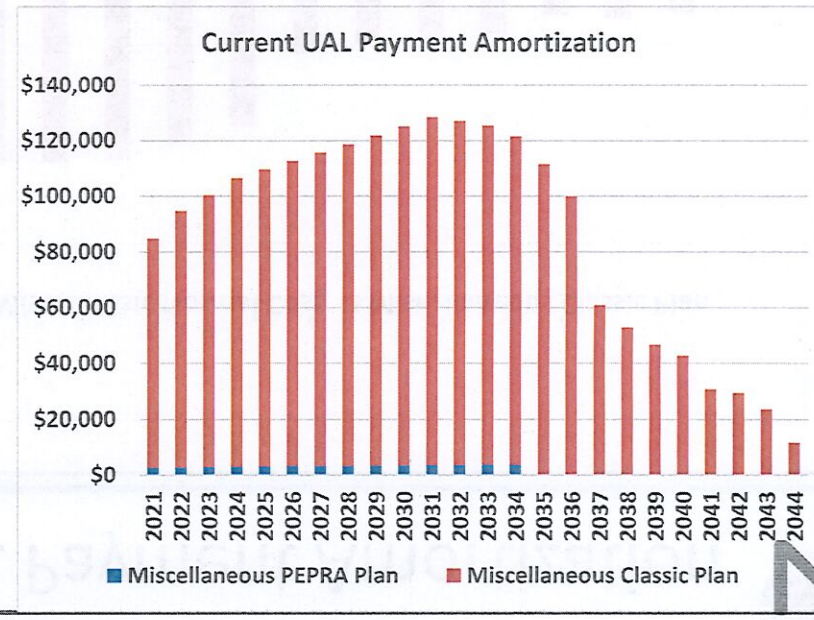
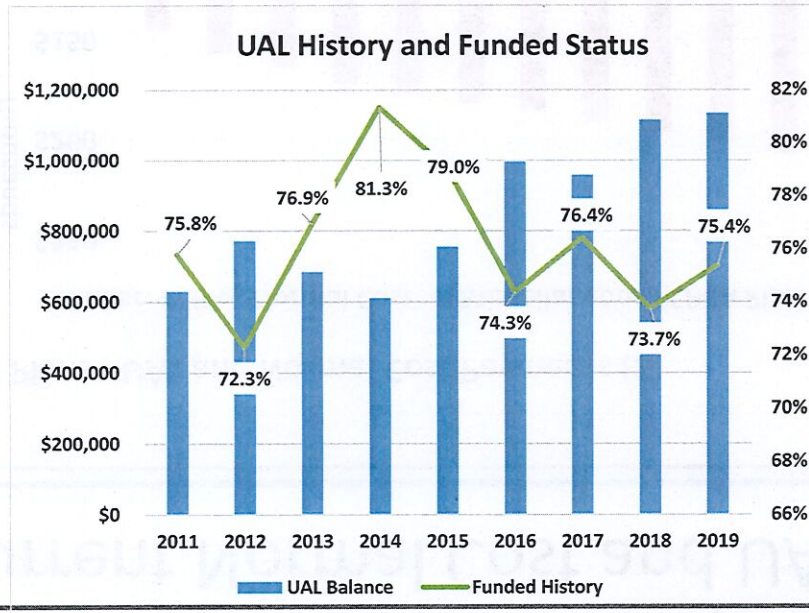


Current Pension Costs and Funded Status

District's UAL has grown from \$756K in 2015 to \$1.13M – an increase of 49.7%

- Due to CalPERS assumption changes and under-performance of investments (all impacts outside of District's control)
- 18% increase in UAL balance, and 31% increase in UAL annual payment and normal cost payments over the last three years
- Significant ramp-up in annual payments over next ~10+ years for most agencies, including the District

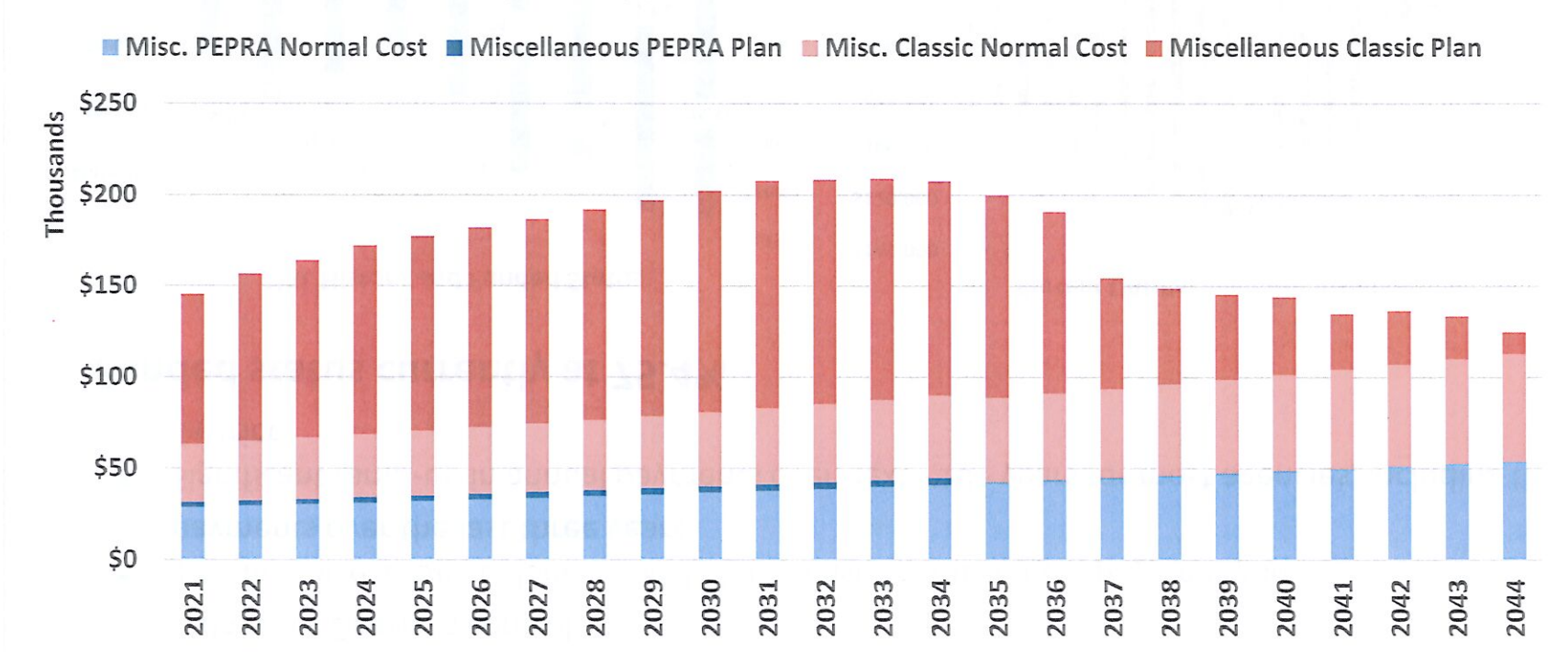
Funded status currently at 75.4%





Current Normal Cost and UAL Payment Amortization

All Plans - UAL and Normal Cost Payments (1)



Source: Most recent CalPERS actuarial valuation reports as of June 30, 2019, for fiscal year 2021-22.

(1) Miscellaneous Classic and PEPPRA normal cost projections are based on 10.34% and 7.59%, respectively, of the total salary assuming an annual growth rate of 2.75%. Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.



UAL – Classic Plan and PEPRA Plan Bases

- Miscellaneous Classic and PEPRA Plans have 24 Amortization Bases
 - Classic Plan: 21
 - PEPRA Plan: 3
- CalPERS annually adjusts UAL and any changes in actual vs actuarial assumptions result in new bases
- Bases that are negative are treated as a credit to the District’s required contributions

| Base | Date Established | Amortization Period | UAL Balance as of 6/30/21 | Payments for 2021-22 |
|-----------------------------------|------------------|---------------------|---------------------------|----------------------|
| Share of Pre-2013 Pool UAL | 6/30/2013 | 16 | \$243,846 | \$20,997 |
| Non-Investment (Gain)/Loss | 6/30/2013 | 24 | (\$3,907) | (\$272) |
| Investment (Gain)/Loss | 6/30/2013 | 24 | \$384,594 | \$26,812 |
| Non-Investment (Gain)/Loss | 6/30/2014 | 25 | \$339 | \$23 |
| Investment (Gain)/Loss | 6/30/2014 | 25 | (\$303,570) | (\$20,593) |
| Side Fund | 2013 or Prior | 0 | \$0 | \$0 |
| Assumption Change | 6/30/2014 | 15 | \$179,876 | \$18,088 |
| Non-Investment (Gain)/Loss | 6/30/2015 | 26 | (\$16,725) | (\$1,106) |
| Investment (Gain)/Loss | 6/30/2015 | 26 | \$204,044 | \$13,493 |
| Non-Investment (Gain)/Loss | 6/30/2016 | 27 | (\$32,016) | (\$1,675) |
| Investment (Gain)/Loss | 6/30/2016 | 27 | \$260,352 | \$13,617 |
| Assumption Change | 6/30/2016 | 17 | \$75,973 | \$5,590 |
| Non-Investment (Gain)/Loss | 6/30/2017 | 28 | (\$6,665) | (\$262) |
| Investment (Gain)/Loss | 6/30/2017 | 28 | (\$129,431) | (\$5,086) |
| Assumption Change | 6/30/2017 | 18 | \$84,852 | \$4,620 |
| Non-Investment (Gain)/Loss | 6/30/2018 | 29 | \$18,722 | \$498 |
| Investment (Gain)/Loss | 6/30/2018 | 29 | (\$37,447) | (\$995) |
| Method Change | 6/30/2018 | 19 | \$36,545 | \$1,333 |
| Assumption Change | 6/30/2018 | 19 | \$131,902 | \$4,810 |
| Non-Investment (Gain)/Loss | 6/30/2019 | 20 | \$19,297 | \$1,761 |
| Investment (Gain)/Loss | 6/30/2019 | 20 | \$18,364 | \$402 |
| PEPRA, Fresh Start | 6/30/2018 | 14 | \$26,495 | \$2,514 |
| PEPRA, Non-Investment (Gain)/Loss | 6/30/2019 | 20 | \$997 | \$91 |
| PEPRA, Investment (Gain)/Loss | 6/30/2019 | 20 | \$1,126 | \$25 |
| TOTAL | | | \$1,157,563 | \$84,685 |



Unfunded Pension Liability Funding Options



Funding Considerations

- Focus on goals and strategy
 - Demonstrate proactive and prudent financial management
- Refine options based on
 - Long-term objective
 - Available resources
- Consider Flexibility
 - Advance Funding Plans, Section 115 Trusts
 - Fresh Start and Refunding Loan cannot be reversed
- All options include investment assumptions



Unfunded Pension Liability Funding Options

| Option | Description | Pro | Con |
|---|--|---|--|
| Advance Funding Plan (AFP) / Revenues | <ul style="list-style-type: none"> Typically adopted periodically as a multi-year plan Discretionary payments made annually to CalPERS (e.g. one-time or annual payments) CalPERS applies funds to reduce UAL and future payment schedule | <ul style="list-style-type: none"> Savings are realized generally in proportion to existing payments Provides the most flexibility, plans are generally not locked in | <ul style="list-style-type: none"> Minimal near-term savings |
| Fresh Start | <ul style="list-style-type: none"> CalPERS creates a new, official UAL payment schedule of higher payments over a shorter term, e.g. 10, 15, 20 years Once directed, new payment schedule cannot be changed back | <ul style="list-style-type: none"> Can produce significant total and present value savings, with near-term increases | <ul style="list-style-type: none"> Lack of future flexibility Near-term payment increases Savings are “back-loaded” |
| Refunding of UAL / Pension Obligation Bonds (POBs) or Loan | <ul style="list-style-type: none"> Funds derived from issuing bonds/securing a loan at taxable interest rates Refunds/replaces current UAL payments with bond/loan debt service payments Proceeds sent to CalPERS to reduce UAL | <ul style="list-style-type: none"> Potential for savings given current low interest rate environment Ability to restructure payment stream | <ul style="list-style-type: none"> Narrower savings prospects / possible risk of net losses, savings not guaranteed GFOA advisory against POBs |
| Section 115 Trust | <ul style="list-style-type: none"> Funds set aside in restricted trust District Board input on goals and policies Funds ultimately sent to CalPERS Does not result in change to official UAL repayment initially | <ul style="list-style-type: none"> Flexibility to adjust course / use for normal pension cost | <ul style="list-style-type: none"> Funds are restricted Requires management of investments |
| Tax-Exempt Exchange | <ul style="list-style-type: none"> Strategy to exchange payments of a future tax-exempt financing of District’s capital projects with UAL payments | <ul style="list-style-type: none"> Potentially lower cost of funds - issue lower cost tax-exempt debt vs. more costly taxable refunding bonds | <ul style="list-style-type: none"> Concept subject to bond counsel review |



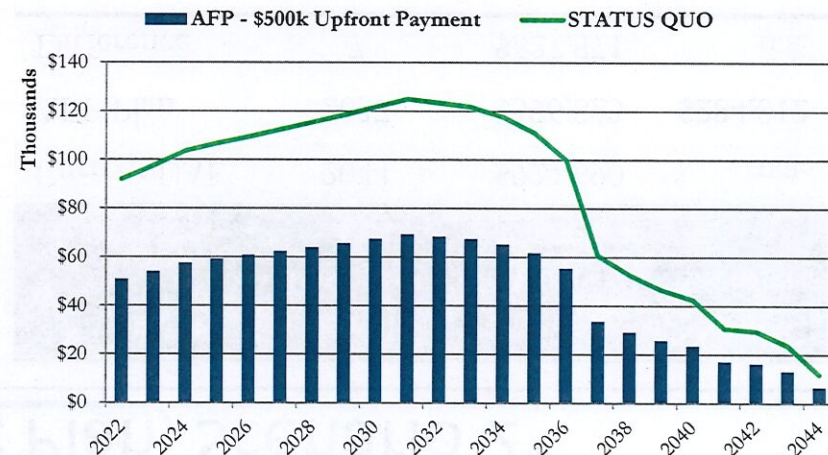
Illustrative Example: AFP Miscellaneous Classic Plan, Scenario 1*

Assumptions

- \$500,000 one-time payment and applied towards principal with CalPERS re-mortgizing remaining UAL payment schedule on a pro-rata basis
- Annual cost savings in proportion to current UAL payments
- Current UAL balance does not incorporate future adjustments from CalPERS

| | Final Payment Yr. | Interest Cost | Net PV Savings |
|-------------|-------------------|---------------|----------------|
| Current UAL | 2044 | \$924,690 | n.a. |
| AFP Plan | 2044 | \$546,947 | \$207,929 |
| Difference | 0 | \$377,747 | n.a. |

UAL Payment Comparison





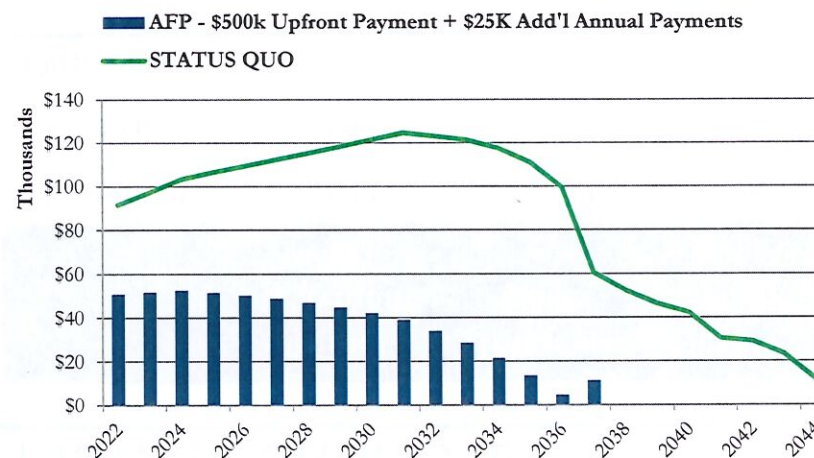
Illustrative Example: AFP Miscellaneous Classic Plan, Scenario 2*

Assumptions

- \$500,000 one-time payment plus \$25,000 annually with CalPERS re-amortizing the remaining UAL payment schedule every year on a pro-rata basis
- Annual cost savings in proportion to current UAL payments
- Current UAL balance does not incorporate future adjustments from CalPERS

| | Final Payment Yr. | Interest Cost | Net PV Savings |
|-------------|-------------------|---------------|----------------|
| Current UAL | 2044 | \$924,690 | n.a. |
| AFP Plan | 2037 | \$396,823 | \$284,012 |
| Difference | 7 | \$527,871 | n.a. |

UAL Payment Comparison





Illustrative Example: AFP Miscellaneous Classic Plan, Scenario 3*

Assumptions

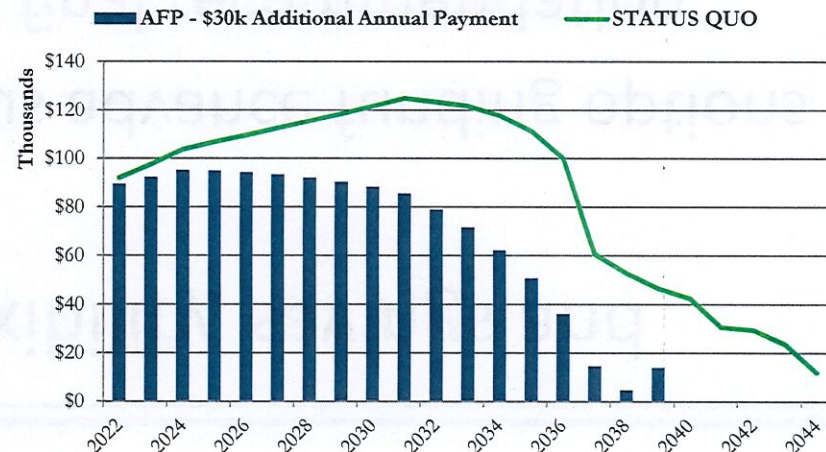
- \$30,000 per year applied towards principal with CalPERS re-amortizing the remaining UAL payment schedule every year on a pro-rata basis
- Annual cost savings in proportion to current UAL payments
- Current UAL balance does not incorporate future adjustments from CalPERS

| | Final Payment Yr. | Interest Cost | Net PV Savings |
|-------------|-------------------|---------------|----------------|
| Current UAL | 2044 | \$924,690 | n.a. |
| AFP Plan | 2039 | \$724,605 | \$109,020 |
| Difference | 5 | \$200,085 | n.a. |

Alternative application of \$30,000

- Target payoff of select bases over time until UAL balance is paid off in full
- District would strive to maximize savings and reshape annual payment profile to meet District's payment goals
 - ✓ A base with a shorter final payment date would reduce payments in the earlier years compared to a base with a longer final payment date but would achieve lower savings and vice versa

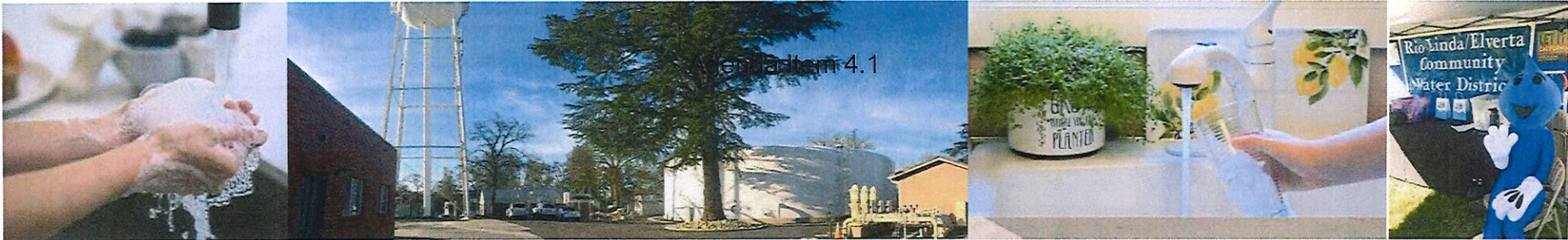
UAL Payment Comparison





Next Steps

- In order to maximize flexibility, savings and reduce risk
 - Consider exploring various advance funding options
 - Return to the Board with final recommendation upon completion of the detailed analysis



Appendix 4.1



Appendix: Other Funding Options

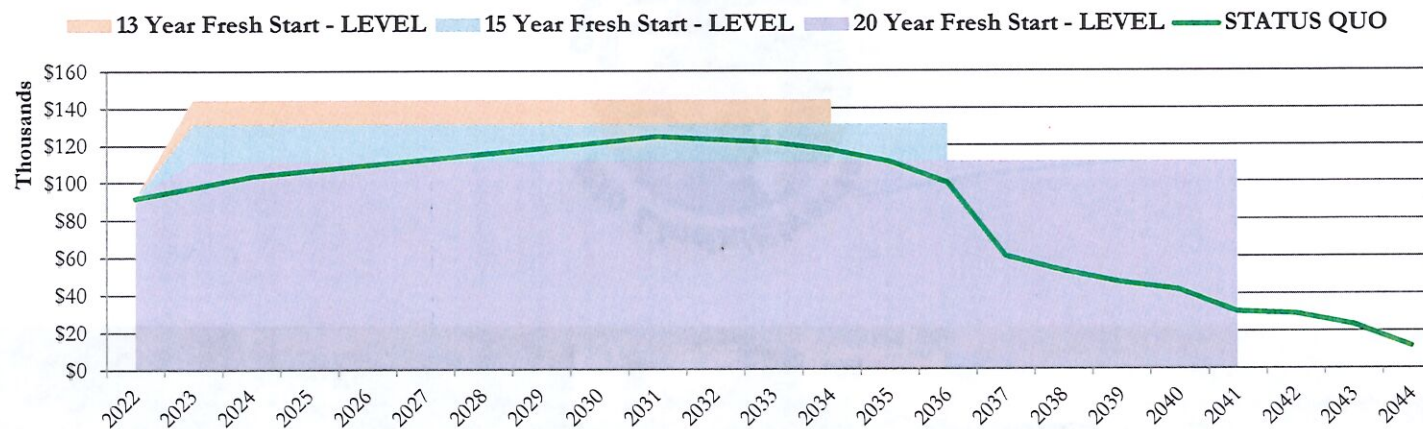


Agenda Item 4.1 Illustrative Example: Fresh Start Miscellaneous Classic Plan*

- Existing payment schedule compressed to 13, 15 and 20 Years
- Lacks flexibility – once adopted, cannot revert to longer period
- Minimal or dissavings; and higher annual payments in every year for the 13- and 15-Year options

| Term | Gross Savings | Net PV Savings |
|----------|---------------|----------------|
| 13 Years | \$140,435 | \$22,630 |
| 15 Years | \$36,815 | (\$28,270) |
| 20 Years | (\$236,580) | (\$154,580) |

UAL Payment Comparison





Agenda Item 4.1 Illustrative Example – Taxable Refunding Bonds/Loan Proportional Payments, Misc. Classic Plan*

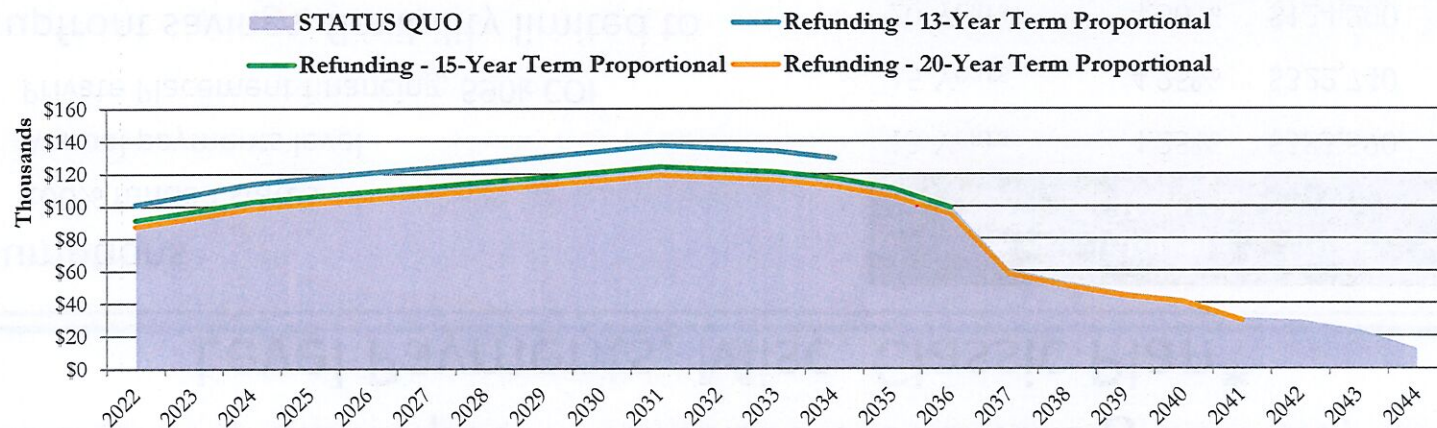
Assumptions

- 100% funded status
- Annual payments proportional to existing UAL payments
- Private Placement financing, \$90k COI

- Minimal or no upfront savings, flexibility limited to optional redemption
- Market risk, savings not guaranteed
- + Reduction in final payment dates

| Term | Interest Rate | Gross Savings | Net PV Savings |
|----------|---------------|---------------|----------------|
| 13 Years | 4.25% | \$363,015 | \$213,960 |
| 15 Years | 4.25% | \$307,145 | \$196,235 |
| 20 Years | 4.50% | \$158,020 | \$154,165 |

UAL Payment Comparison



*Chart information is illustrative. All figures rounded / approximate. NPV savings based on 2.5% discount rate.



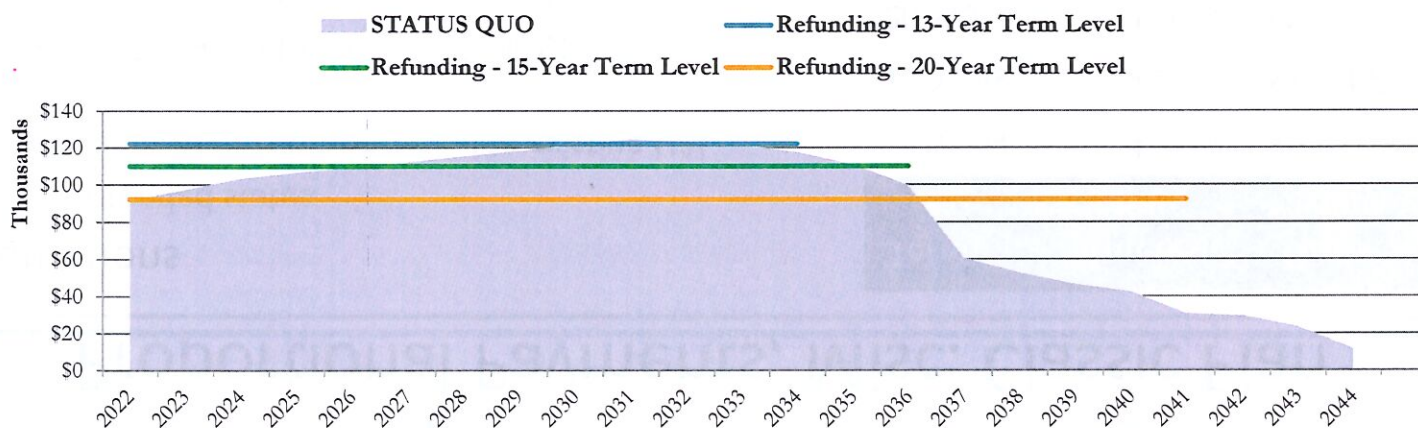
Agenda Item 4.1 Illustrative Example – Taxable Refunding Bonds/Loan Level Payments, Misc. Classic Plan*

Assumptions

- 100% funded status
- Annual payments level
- Private Placement financing, \$90k COI
- No upfront savings, flexibility limited to optional redemption
- Market risk, savings not guaranteed
- + Reduction in final payment dates

| Term | Interest Rate | Gross Savings | Net PV Savings |
|----------|---------------|---------------|----------------|
| 13 Years | 4.25% | \$383,590 | \$374,230 |
| 15 Years | 4.25% | \$322,740 | \$314,865 |
| 20 Years | 4.50% | \$124,200 | \$121,170 |

UAL Payment Comparison



*Chart information is illustrative. All figures rounded / approximate. NPV savings based on 2.5% discount rate.



Agenda Item 4.1 Illustrative Example – Taxable Refunding Bonds/Loan Combination of Level and Proportional Payments*

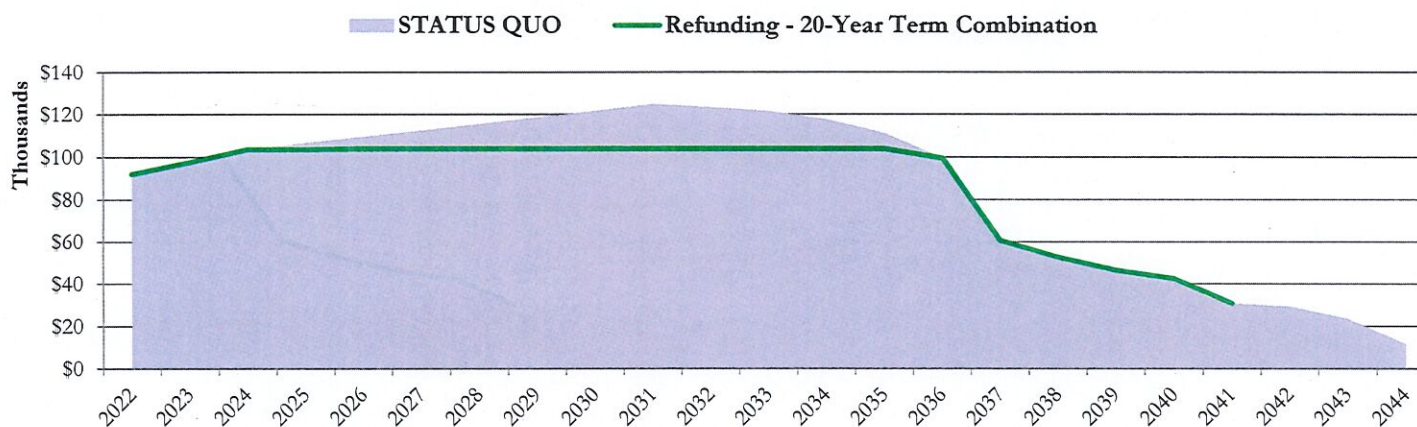
Assumptions

- 100% funded status of Misc. Classic Plan
- Annual payments level
- Private Placement financing, \$90k COI
- 20-Year Term

| Term | Interest Rate | Gross Savings | Net PV Savings |
|----------|---------------|---------------|----------------|
| 20 Years | 4.50% | \$205,530 | \$200,520 |

- Flexibility limited to optional redemption
- + New cash flow at or below existing payment amounts
- + Reduction in final payment dates

UAL Payment Comparison





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

Date: November 16, 2020
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 ____ Reisig____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent



Date: November 16, 2020

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: Evaluating service providers and options to mitigate the CalPERS Unfunded Accrued Liability escalations dominated the District resources for the reporting period. The regression in Covid 19 pandemic stats and the impending resumption of restrictions mean we're continuing the staffing models to encourage and support remote working employees and Zoom meetings. This puts additional emphasis on functioning, reliable computer workstations and networks.

1. On Oct 21st I met with a Metron Farnier to review the progress so far with the phase 1 pilot testing of the Innov8 registers and Water Scope software.
2. On Oct 22nd and Oct 27th, The Operations Superintendent and I met with the regional collaboration consultant to discuss the data request needed to identify priorities in collaboration and partnerships among the participating agencies. Typical data requested included how much the district spends on leak repairs, paving, water conservation outreach, etc.
3. On Oct 28th I participated in the Water Caucus meeting. In my opinion, the confrontational demeanor of the RWA/SGA Executive Director will make this process more protracted and stressful than it needs to be.
4. On Nov 6th I met with Adept Solutions representatives to discuss replacing the SCADA workstation, which became non-operational in July.
5. On Nov 12th AT&T vendors to discuss the availability of Net One, a cell phone network designed to prioritize communications for first responders. The concept has been distilling since 9-11. In addition to police, fire and EMT, water system operators are eligible to participate.

Additional items of interest:

I also had correspondence with Rob Swartz of RWA/SGA. We discussed the Water Banking program and changes that may be necessary due to RLECWD withdrawal from RWA.

I corresponded with Legal Counsel regarding the 29-yr old agreement with Ron Hyce and recent written correspondence from the attorney representing Mr. Hyce.



Items for Discussion and Action Agenda Item: 4.3

Date: November 16, 2020

Subject: District Engineer's Report

Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

The District Engineer will provide a written report to the Board of Directors on engineering activities since the previous monthly meeting. The Board may ask for clarifications and may also provide direction in response to the report.

Conclusion:

There is no Board action anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

11 November 2020

DISTRICT ENGINEER'S REPORT

To: Tim Shaw, General Manager, Rio Linda / Elverta Community Water District
From: Mike Vasquez, PE, PLS, Principal (EKI), District Engineer (RL/ECWD)
Subject: District Engineer's Report for the 16 November 2020 Board of Directors Meeting

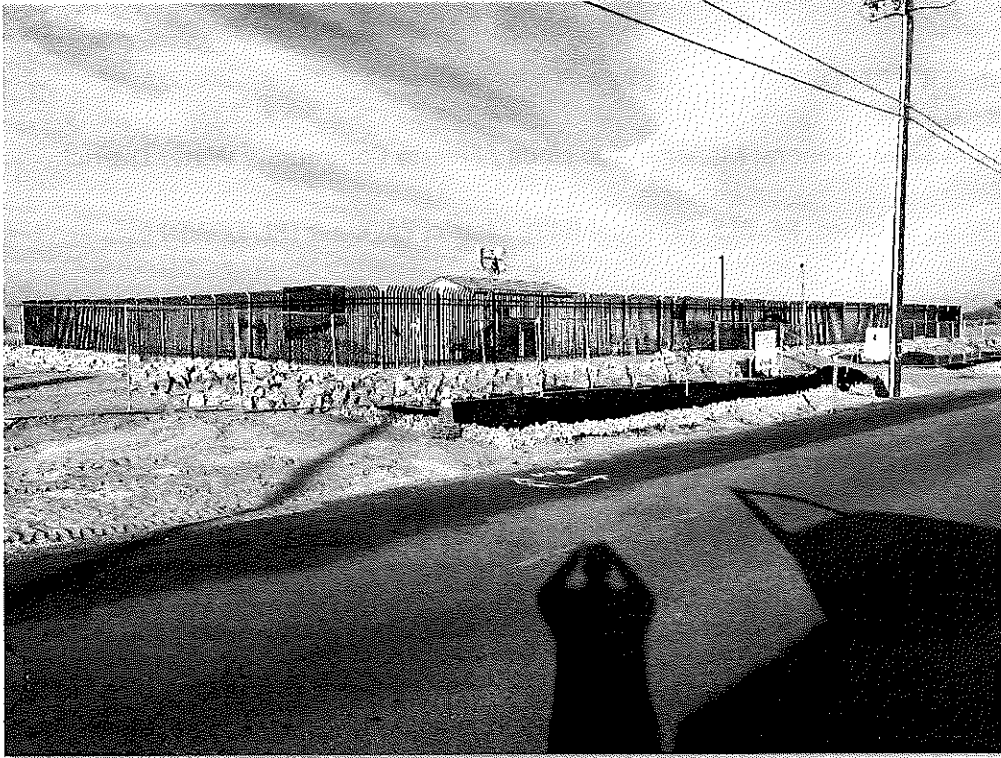
The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 15 October 2020 to 11 November 2020:

1. General District Engineering:

- Electric Avenue Development (7 Lots between Cypress Street and Elverta Road): The District is currently waiting for final improvement plans from the developer for signature and approval of the water facilities design.
- Fox Hollow Development (28 lots 6th Street between Q Street and S Street): The District is currently waiting for the developer to pay District plan check and construction inspection fees and for submittal of revised improvement plans.
- 428 West Delano Street Development (5 lots, between El Rio Avenue and Marindell Street): This is the same developer as the Electric Avenue Development. The developer has not submitted improvement plans to the District for review.
- 6515 & 6533 14th Street Development (2 lots, between Elkhorn Boulevard and K Street): The developer submitted improvement plans and plan check fees to the District for review on 10/23/2020. The District provided plan check comments to the developer on 10/29/2020.

2. Well 16 Pump Station Construction Project:

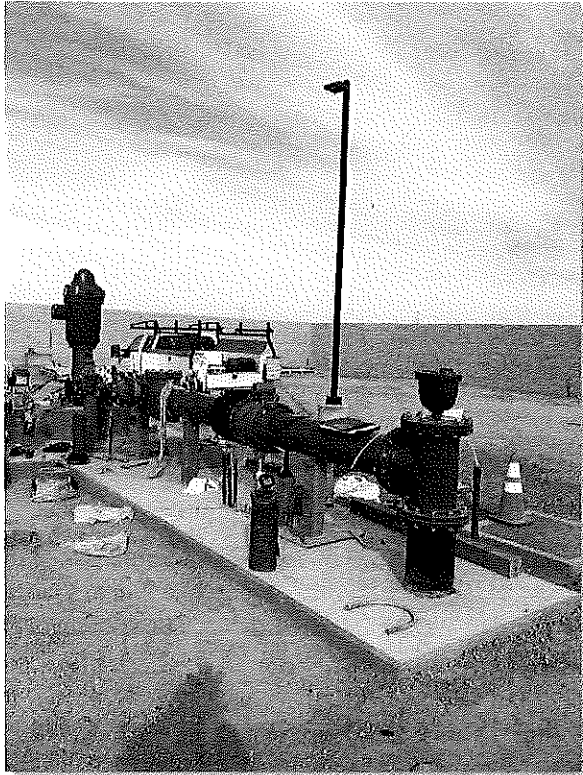
- Over the past month, the construction contractor installed aboveground piping, wrought iron fencing, U Street frontage landscaping and irrigation, and installed the well pump and motor.
- The "three week look ahead" schedule through 12/4/2020 indicates installation of electrical and control panels inside the control building. Onsite paving is scheduled for 11/23/2020. Performance testing for the pump station is scheduled for mid-December 2020.
- To date, have responded to 78 contractor submittals.
- To date, have responded to 35 contractor Request for Information letters.
- Continue to perform ongoing and daily construction management services.
- Progress site pictures are as follows:



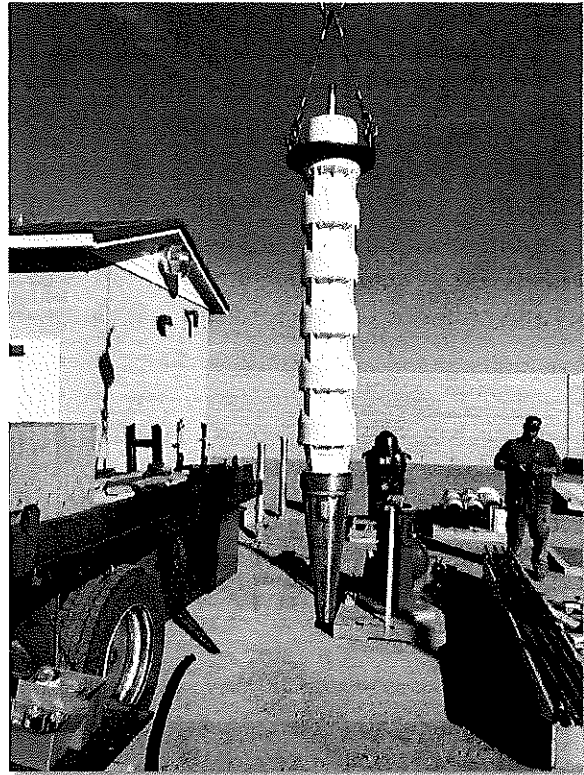
Well 16 site construction progress



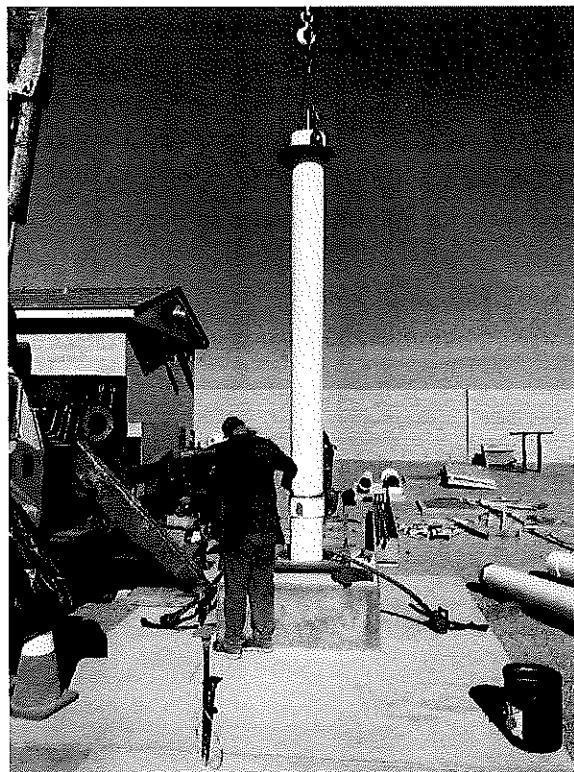
Well 16 site U Street frontage



Well 16 motor and aboveground piping



Well 16 pump prior to installation



Well 16 pump column piping being installed



Items for Discussion and Action
Agenda Item: 4.4

Date: November 16, 2020

Subject: Nomination of RLECWD Board Member for Sac LAFCO Special Districts Advisory Committee

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A This item was not discussed at Committee. The subject matter and process obviates the need for committee discussion.

Current Background and Justification:

All relevant details are included in the notice from Sacramento County LAFCo.

Conclusion:

I recommend the Board consider nominating a Board Member to serve on the Sacramento County Local Agency Formation Commission, Special Districts Advisory Committee.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date11/16/2020

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Nomination of RLECWD Board Member for Sac LAFCO Special Districts Advisory Committee

11/12/2020**Staff Work Completed**

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff WorkN/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel ReviewN/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review11/12/2020**Actual Meeting Date Set for Agenda Item**11/16/2020



DATE: October 26, 2020
TO: All Independent Special District Boards
SUBJECT: Nominations for "Office B" Membership on SDAC - CLARIFICATION

You are cordially invited to nominate a Member of your Board to join the Special District Advisory Committee (SDAC). The purpose of the Committee is to provide Sacramento LAFCo with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC membership of seventeen is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts. SDAC members serve 2 year terms without compensation. Currently there are *seven (7) vacant seats for Office "B"* on the Committee. New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Special Districts.

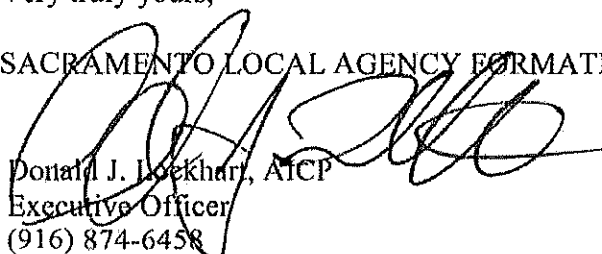
SDAC meetings are held quarterly on the fifth Tuesday, or as needed. The SDAC meets at 7:00 PM@ SMUD Customer Service Center (CSC) (6301 S Street) Sacramento, in the Rubicon Room.

A nomination form is attached. If you wish to nominate a member of your Board, please complete the form and return it to LAFCo no later than **Monday, February 15, 2021.**

Please feel free to contact Special District Commissioners Gay Jones (916.208.0736) or Lindsey Liebig (916.513.1619) if you care to further discuss the SDAC.

Very truly yours,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION


Donald J. Lockhart, AICP
Executive Officer
(916) 874-6458

Donald.Lockhart@SacLAFCo.org

Enclosure: Nomination Form
Current Roster

SDAC_Nom_2021



**SPECIAL DISTRICT ADVISORY COMMITTEE
Nomination Form
"OFFICE B"**

Recommendation to the SDAC Selection Committee

In accordance with the bylaws of the Special District Advisory Committee, the
Governing Board of the _____ District
nominates _____ (Board Member)
for the following **"Office B"** position on the SDAC:

Two year term ***(ends 12/31/22)***

Signature: _____
Board Chairperson

Date: _____
Please attach resume of Nominee.

ATTEST:

District Manager or District Secretary

Please print e-mail address

Please attach resume of Nominee.

Please send completed nominations to:

Diane Thorpe, Commission Clerk
Sacramento LAFCo
1112 "I" Street; Suite 100
Sacramento CA 95814
Diane.Thorpe@SacLAFCo.org



Sacramento LAFCo Special District Advisory Committee Membership Roster Dec, 2020

| OFFICE "A" TERMS 1/20 -- 12/21 | | | | | | |
|--------------------------------------|---------------|-------------------|---------------------------------------|--------------|----------|--|
| Initial | First | Last | District | Phone | Form 700 | Email address |
| | Michael | Hansen | Arcade Creek R&PD | 510-386-0345 | | mhanson2013@outlook.com |
| | Joseph | Guardino | Wilton FPD | | | Joe_Guardino@wilton-fire.org |
| | Terri | Leimbach | Cordova R&PD | 916-353-8563 | | tleimbach@crpd.com |
| | Rod | Brewer | Cosumnes CSD | 916-208-8841 | | reodbrewer5@gmail.com |
| | Vacant | | | | | |
| | Vacant | | | | | |
| | Vacant | | | | | |
| VACANT OFFICE "B" TERMS 1/21 – 12/22 | | | | | | |
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| | | | | | | |
| | | | | | | |
| OFFICE "C" COMMISSIONERS | | | | | | |
| | Lindsey | (Chair) Liebig | Herald FPD | 916-513-1619 | | lindsey@heraldfire.com |
| | Gay | Jones | Sacramento Metropolitan Fire District | 916-208-0736 | | h2ogay@pacbell.net |
| | Charlea | Moore (Alt.) | Rio Linda/Elverta RPD | 916-275-3275 | | charhorseranch@aol.com |

Agenda Item #4

39



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

Date: November 16, 2020

Subject: Customer Request for Board Consideration of Billing Issues

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item was not discussed at Committee because it was discussed at the October 19th Board meeting.

Current Background and Justification:

Current District policy stipulates that the full Board consider customer's request for waivers, reversal of charges, refunds etc. Included with your Board packets are the customers' request forms.

This request for waiver of the \$40 shut off fee was deferred at the October 19th Board meeting because of staff's lack of preparation, which inhibited making an informed Board decision. Staff's lack of preparation was caused by insufficient communication regarding this request and another, similar request that was resolved prior to the October 19th Board meeting.

Conclusion:

Review this customer's request, seek feedback from Legal Counsel and staff, then consider Board action as appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date

11/16/2020

Circle High/Medium/Low priority of Item and Identify if in line with Mission/Goal/Strategic Planning issues or state of emergency

Customer Requests for Board Review of Billing Issues

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

11/12/2020

Committee Review of Item and Staff Work

N/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

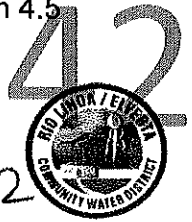
N/A

GM Review

11/12/2020

Actual Meeting Date Set for Agenda Item

11/16/2020



Rio Linda Elverta Community Water District

Request for Consideration of Billing Issues by the Board of Directors

Account Holder: _____ Account #: 15063002

Service Address: _____ Rio Linda, CA 95673

Check the appropriate box(s) and specify which fees you are requesting the Board to waive:

- Account Deposit Amount: \$ _____
- Delinquency Notice Fee Amount: \$ _____
- 48 Hour Notice Fee Amount: \$ 40.00
- Service Charges Amount: \$ _____
- Shutoff Fee Amount: \$ _____
- Tampering Fee Amount: \$ _____
- Other Amount: \$ _____

Notice: This request may be considered at a public Board Meeting. This document may become a part of the Board meeting agenda which is accessible to the public by request or via the District website. However, the District will make reasonable attempts to preserve customer privacy via redaction, e.g. addresses, phone, email etc.

Total: \$ _____

Justifying Information to Support Your Request: I received a late notice in the mail saying I didn't pay my bill, but I had sent my payment in. I called the day I received the notice and spoke to a lady who said that she would take off the \$5.00 late fee and that either the office or mail was behind. My check was never cashed. I then received a 48 hour notice on my door with a \$40 tag fee. I've never had an issue with not paying my bill in 20 years!

(Attached additional sheets if necessary)

By signing below you are; attesting to the accuracy of the information you have provided and fraudulent submittal may result in Board denial, you acknowledge that all correspondence between yourself and the District is subject to California Public Records Act laws, and you further acknowledge the Board of Directors' rulings are final.

Signed: _____ Date: 10/2/20

Account Holder Contact Information:
 In case you are unable to attend the Board Meeting, please provide with your preferred method for us to contact you regarding the Board's decision.

Email Address: _____
 Phone Number: _____
 US Mail (provide mailing address): _____ Rio Linda, CA 95673

Business Office

Account History – This includes all transactions up to the date form is signed

_____ Number of times Delinquency Notice sent in the past 12 months

_____ Number of times 48 Hour Notice sent in the past 12 months

_____ Number of times service was terminated for non-payment over the past 12 months

Amortization Agreement on File: _____ YES _____ NO

Additional Information: _____

Resolution of the Issue and Feedback to Customer:

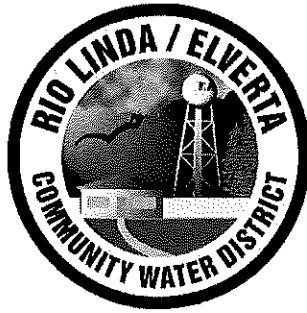
Board Action Taken: _____

Customer was contacted by _____ Phone, _____ US mail, _____ Email.

Date: _____ Initials: _____

Appropriate adjustments made to the account: Date: _____ Initials: _____

Notes added to the account: Date: _____ Initials: _____



Items for Discussion and Action

Agenda Item: 4.6

Date: November 16, 2020

Subject: Customer Service Tech II Position Description and Pay Scale

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee recommends the Board approve the Customer Service Tech II position description and pay scale.

Current Background and Justification:

The District and Teamster Local 150 have been engaged in dialog (albeit inconsistently) regarding the Customer Service Tech II position description virtually since the completion of the MOU renewal process in May 2019. The current unit classifications include a Customer Service Tech I, which implies the intent to create a Customer Service Tech II position.

Throughout the protracted meet and confer process between the District and Teamster Local 150, both sides agreed that the most effective approach would be to reach tentative agreement prior to seeking Board approval. This contrasts with an approach where Board approval is conditioned on meet and confer. Further areas of agreement included the need to differentiate a Customer Service Tech II position description from a one that is essentially a Customer Service Tech I with years of experience, e.g. training and standardized certifications.

The more recent correspondence on the subject has been regarding the pay scale associated with the position description. The pay scale needs to integrate appropriately into the existing positions in the unit. Failure to do so can result in future claims and unintended justifications for classification studies, e.g. when a position with arguably more responsibility and training is compensated less.

Conclusion:

I recommend the Board authorize the Customer Service Tech II position description and corresponding pay scale. It is **not** necessary, nor appropriate to authorize filling this position at this time.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:_____ Harris:_____ Jason Green _____ Gifford_____ Reising_____.

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

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date

11/16/2020

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Approving the Proposed New Customer Service Technician II Position Description and Associated Pay Scale

11/12/2020

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

11/02/2020

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

11/12/2020

Actual Meeting Date Set for Agenda Item

11/16/2020

CUSTOMER SERVICE TECH 2

General Statement of Duties

Performs a variety of routine and complex clerical, secretarial, data processing, accounts receivable, bookkeeping, reception and administrative work associated with the operation of the District Office.

Supervision Received

Works under the General Manager.

Supervision Exercised

Supervision ordinarily is not a responsibility of this class; may coordinate part-time or temporary staff as assigned.

Essential Duties and Responsibilities

Receives and stamps incoming mail, reviews mail with the General Manager and distributes as directed; processes outgoing mail.

Maintains District filing system and filing indices.

Develops and maintains office forms and procedures.

Assists Accounting Specialist with administrative and accounting tasks; assists Operations Superintendent with administrative and reporting tasks.

Answers central telephone system and mobile phone system.

Receives the public and answers questions; responds to inquiries from employees, citizens and others and refers, when necessary, to appropriate persons.

Serves as cashier including receipting of utility payments and various other payments, and posting monies to appropriate accounts.

Processes work orders for utility disconnections, reconnections, new orders, and other public works service requests.

Processes meter reading data; prepares and mails utility bills; maintains current customer account files; assists in reconciling utility billing activity with the general ledger.

Receives telephone calls and citizen visits concerning utility billings or services; handles questions and matters of a more technical nature; responds to citizen complaints.

Pursues collection of delinquent utility accounts, including preparation and mailing of final notices, shut-off and turn-on orders, establishing and monitoring payment schedules, customer follow-up account research, preparing liens and write-offs when appropriate.

Balances checks and credit cards daily against receipts; prepares and balances deposits; makes a listing of deposits by accounts; follows up on collection of NSF checks.

Updates and maintains billing system.

Prepares periodic utility, financial, statistical or operational reports as assigned.

Establish and maintain cooperative working relationships with co-workers, outside agencies and the public.

Peripheral Duties

Composes, types, and edits correspondence, reports, memoranda, and other material requiring judgment as to content, accuracy, and completeness.

Assists in the development of notices, flyers, brochures, newsletters, media releases, news articles, and other informational materials about programs and services.

Provides clerical support to other staff as required.

Composes, inputs, and edits a variety of correspondence, reports, memoranda, and other material requiring judgment as to content, accuracy, and completeness.

Serves on various employee or other committees as assigned.

Minimum Qualifications

Education and Experience:

All the Education and Experience Described in the Customer Service Tech 1 Position Description (shown here for clarity): Graduation from an high school with specialized course work in general office practices such as typing, accounting, data processing; and five years of increasingly responsible receivables related experience including collections (completion of community college or business school bookkeeping or data processing training may be substituted for one year of experience); or any equivalent combination of education and experience.

Additional Education and Experience Required for Customer Serve Tech 2:

- At least three years of experience as a RLECWD Customer Service Tech 1 (or equivalent experience).
- At least 20-hours of documented training in the Continental Utility Systems Inc (CUSI) billing software training academy (or equivalent documented training).
- Certificate of Completion in *Customer Service 101* available through Universal Class www.universalclass.com (or equivalent training).
- Certificate of Completion in Customer Relationship Management available through Universal Class, www.universalclass.com (or equivalent training).

Necessary Knowledge, Skills and Abilities:

Knowledge of standard office practices and of business English, spelling, composition, and math; typing skills; computer experience with word processing and spreadsheets; ability to make decisions independently in accordance with established policy; ability to use tact and judgment in dealing with the public.

Tools and Equipment Used

Personal computer, including accounting, billing, word processing and spreadsheet software; typewriter, 10-key calculator, phone, copy machine, fax machine and mail processing equipment.

Special Requirements

Must be bondable.

Must pass pre-employment physical.

Tools and Equipment Used

Personal computer, including accounting, billing, word processing and spreadsheet software; typewriter, 10-key calculator, phone, copy machine, fax machine and mail processing equipment.

Physical Demands

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. A physical examination by a licensed physician selected by the District will be required prior to employment to determine if the applicant can meet the physical demands of the position. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to walk; use hands to operate, finger, handle, or feel objects, tools, or controls; and reach with hands, wrists, and arms.

The employee must occasionally lift and/or move up to 25 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

Work Environment

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderately noisy.

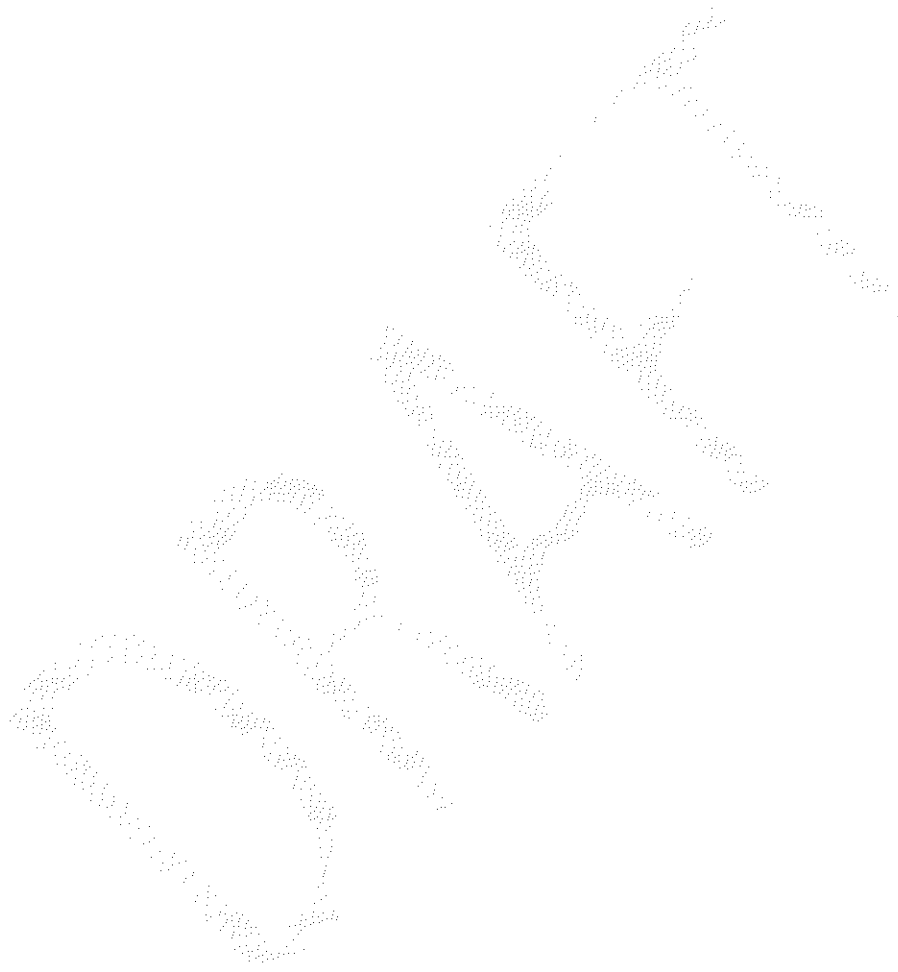
Selection Guidelines

Formal application, rating of education and experience; oral interview and reference check; job related tests may be required; driving records may be evaluated; a medical examination to determine capability to meet the physical demands of the job may be included as part of the selection and hiring processes.

General

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related or a logical assignment to the position.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of the employer and requirements of the job change.



Step 1 Step 2 Step 3 Step 4 Step 5 Step 6

Current Cust. Service Tech 1 Pay Scale

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| \$21.78 | \$22.65 | \$23.56 | \$24.50 | \$25.48 | \$26.50 |
|---------|---------|---------|---------|---------|---------|

Proposed Cust. Service Tech 2 Pay Scale

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| \$25.10 | \$26.10 | \$27.15 | \$28.23 | \$29.36 | \$30.54 |
|---------|---------|---------|---------|---------|---------|



**Items for Discussion and Action
Agenda Item: 4.7**

Date: November 16, 2020

Subject: Sacramento County Solid Waste Proposed Rate Increase

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A This item was not discussed at Committee. The subject matter and process obviates the need for committee discussion.

Current Background and Justification:

All relevant details are included in the notice from Sacramento County Solid Waste. If the District takes action to “protest” the proposed rate increase, the protest must be received by Sacramento County by December 8, 2020.

Conclusion:

I recommend the Board consider authorizing a protest to the proposed rate increase from Sacramento County. If the protest is authorized by the Board, the Board should further authorize staff to complete all required correspondence.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford____ Reisig____.

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

RLECWD Agenda Item Checklist

Item 4.7

Date

Initial Potential Meeting Date11/16/2020

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Sacramento County Solid Waste Proposed Rate Increase

11/12/2020**Staff Work Completed**

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff WorkN/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel ReviewN/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review11/12/2020**Actual Meeting Date Set for Agenda Item**11/16/2020



SOLID WASTE CURBSIDE COLLECTION

NOTICE OF PROPOSED RATE INCREASE AND PUBLIC HEARING DATE

The Sacramento County Department of Waste Management and Recycling is proposing a solid waste rate increase for residential customers. You are receiving this notice in compliance with Proposition 218, which requires the County to inform property owners and the customer of record that a proposed rate increase is being considered; the amount of the proposed rate increase; the reasons for the proposed increase; and, the basis on which the proposed rates were calculated.

The County is committed to providing reliable service at the lowest possible rates. The County currently provides the following services, all of which are considered the standard level of service:

- Weekly curbside collection of residential garbage
- Bi-weekly collection of green waste and recyclables, with weekly green and food waste collection starting on January 1, 2022
- Weekly curbside collection of used motor oil, used oil filters, and used cooking oil
- Once per calendar year pickup of bulky waste by appointment
- Monthly street sweeping
- Collection of illegal dumping
- Household Hazardous Waste drop-off service

HOW YOUR RATES COMPARE

| | |
|---------------------------------|---------|
| CITY OF SACRAMENTO | \$42.59 |
| COUNTY OF SACRAMENTO (PROPOSED) | \$36.96 |
| CITY OF FOLSOM | \$30.00 |

The rates above compare the rate charged for one 60-gallon garbage cart serviced weekly, including green waste and recycling service, to rates currently charged for similar service in other jurisdictions.

Since July 2010, the County has not raised its residential solid waste curbside collection rates. However, inflation has increased 30 percent, new services have been added to the County's operations, the cost to divert our recycling has increased, and new State legislation has significantly increased the County's current and future operating costs and capital project needs.

HOW RATES WERE CALCULATED

An independent, third party expert conducted a comprehensive rate study of the residential solid waste curbside collection services provided by the County. The study analyzed the County's solid waste costs and corresponding service levels based on fiscal year 2020 data and developed a cost of service model to determine a fair-share allocation of costs to customers. Using this baseline model, projected future costs were allocated to develop rates that will generate the revenue needed to fund the delivery of safe, reliable, and high quality residential curbside collection services. A copy of the study is available at SacGreenTeam.com.

IF APPROVED, THE PROPOSED RATE INCREASE WILL:

- Offset the cost to process recyclables and green waste collected curbside.
- Cover costs to collect residential food waste with green waste weekly, beginning January 1, 2022, as mandated by State law.
- Offset rising costs for labor, services and supplies, and equipment maintenance.

PROPOSED RATE INCREASE

The following table sets forth the proposed adjustments to the County's monthly residential solid waste rates for the standard level of service. This includes one recycling cart and one green waste cart.

| Garbage Cart | Current Rate | Feb 1, 2021 | July 1, 2021 | July 1, 2022 | July 1, 2023 | July 1, 2024 |
|---|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| 30-gallon | \$19.95 | \$30.37 | \$31.96 | \$33.69 | \$35.14 | \$36.38 |
| 60-gallon | \$23.55 | \$36.96 | \$38.65 | \$40.46 | \$42.02 | \$43.34 |
| 90-gallon | \$30.76 | \$44.55 | \$46.38 | \$48.30 | \$49.99 | \$51.43 |
| Additional Carts (up to 90-gallon) | | Feb 1, 2021 | July 1, 2021 | July 1, 2022 | July 1, 2023 | July 1, 2024 |
| Recycle Cart | | \$5.25 | \$5.50 | \$5.65 | \$5.85 | \$6.05 |
| Green Waste Cart | | | \$8.40* | \$11.15 | \$11.70 | \$12.15 |

*Effective on or after January 1, 2022

SOLID WASTE LIFELINE RATE ASSISTANCE PROGRAM

We understand that rate increases can be challenging for our customers on fixed incomes. By law, we must charge all our customers the same rate for the same service. However, we are able to offer our low-income customers monthly rebates through our Solid Waste Lifeline Rate Assistance Program.

For more information or to see if you qualify, please contact Consolidated Utilities Billing and Service at **916-875-5555**.

HOW TO PROTEST THIS RATE INCREASE

If you oppose the proposed rate increase, your protest must be submitted in writing to be considered, even if you plan to participate in the public hearing.

If written protests are submitted by a majority of customers, the proposed rate increase will not be implemented. Your written protest must be received by the December 8th public hearing.

Send written protests to: **County of Sacramento**
 P.O. Box 279420
 Sacramento, CA 95827-9420

Protests must include the customer's name and service address. Protests must be submitted by the property owner or a customer of record of the Sacramento County Department of Waste Management and Recycling. Sacramento County requires protests to be submitted in writing. E-mail, faxed, or photocopied letters will not be accepted.

PARTICIPATING IN THE PUBLIC HEARING

The Sacramento County Board of Supervisors will be holding a public hearing on the proposed rate increase. If you would like to voice your opinion on this matter, you may send a written comment to BoardClerk@saccounty.net or call 916-875-2500 to make a verbal comment during the hearing on:

December 8, 2020 at 2:00 p.m.

Sacramento County Administration Center, Board Chambers,
 700 H Street, Sacramento, CA 95814

Detailed instructions for commenting are available at the Board of Supervisors Public Meetings webpage.



For more information, contact: Consolidated Utilities Billing and Service at 916-875-6668, visit SacGreenTeam.com, or scan the QR code.





**Items for Discussion and Action
Agenda Item: 4.8**

Date: November 16, 2020

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

Current Background and Justification:

District policy and various statutes stipulate Board approval of any Board Member assignments.

Conclusion:

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

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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



Information Items
Agenda Item: 5.1

Date: November 16, 2020

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

1. Operations Report
2. Conservation Report
3. Completed and Pending Items Report

RIO LINDA/ELVERTA C.W.D. 2020

REPORT OF DISTRICT OPERATIONS

54

SOURCE WATER DATA

Water Production (Million Gallons)

| January | February | March | April | May | June | Year To Date |
|-------------------------------------|-------------|-------------|----------------------|------------|-------------|-------------------------------------|
| 37.6 | 40 | 45.5 | 57.9 | 95.9 | 118.9 | |
| 37,607,740 | 40,007,134 | 45,529,919 | 57,951,598 | 95,888,048 | 118,923,764 | |
| July | August | Sept. | Oct. | Nov. | Dec. | |
| 130.7 | 119.2 | 108.1 | 82.8 | | | 836.60 |
| 130,737,920 | 119,197,727 | 108,134,465 | 82,804,644 | | | |
| | | | Monthly Total | | | |
| Gallons = Multiply M.G. by: | | | 1,000,000 | | | Gallons 836,782,959 |
| Cubic Feet = Divide gallons by: | | | 7.48 | | | Cubic Feet 111,869,360 |
| Hundred Cu Ft. = Divide cu. ft. by: | | | 100 | | | Hundred Cubic Feet 1,118,694 |
| Acre Ft. = Divide gallons by: | | | 325,829 | | | Acre Ft. 2,668 |
| | | | 82,804,644 | | | |
| | | | 11,070,140 | | | |
| | | | 110,701 | | | |
| | | | 254.14 | | | |

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

| January | February | March | April | May | June | Year To Date |
|---------|----------|-------|-------|-------|-------|-----------------|
| 0 | 1 (1) | 1 (1) | 4 (4) | 2 (2) | 5 (5) | |
| July | August | Sept. | Oct. | Nov. | Dec. | |
| 1 (1) | 0 | 2 (2) | 2 (2) | | | 18 |

New Services

| | | |
|---|---|-------------|
| New Construction | 0 | 0 |
| Existing Homes | 1 | 2 |
| Paid prior to increase. (2 not installed) | 0 | 0 |
| Total of Service Connections to Date -----> | | 4642 |

Distribution System Failures/Repairs

| | | |
|---------------------------------|----|----|
| Deterioration October 1 thru 31 | 12 | 87 |
| Damaged October 1 thru 31 | 0 | 4 |

Bacteriological Sampling

| | | |
|---|----|-----|
| Routine Bacteriological Samples (Distribution System) | 16 | 172 |
| Raw Water Bacteriological Samples (at Wells) | 0 | 33 |

October 1, 2020 - October 31, 2020

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

| Work Orders Issued - 50 | Work Orders Completed - 83 | USA's Issued - 79 |
|---------------------------|----------------------------|-------------------|
| Backflow Test - 1 | Repair or Replace Box - 1 | |
| Repair or Replace Box - 1 | Change Out Meter - 41 | |
| Change Out Meter - 16 | Disconnect Service - 1 | |
| Flow Test - 2 | Flow Test - 1 | |
| Get Current Read - 2 | Get Current Read - 4 | |
| Line Leak - 2 | Line Leak - 3 | |
| Other Work - 2 | Other Work - 1 | |
| Possible Leak - 13 | Possible Leak - 22 | |
| Pressure Complaint - 2 | Pressure Complaint - 1 | |
| Tag Property - 3 | Tag Property - 3 | |
| Turn On Service - 3 | Turn On Service - 3 | |
| Usage Complaint - 2 | Usage Complaint - 2 | |
| | | |
| | | |
| | | |
| | | |

RIO LINDA/ELVERTA C.W.D.

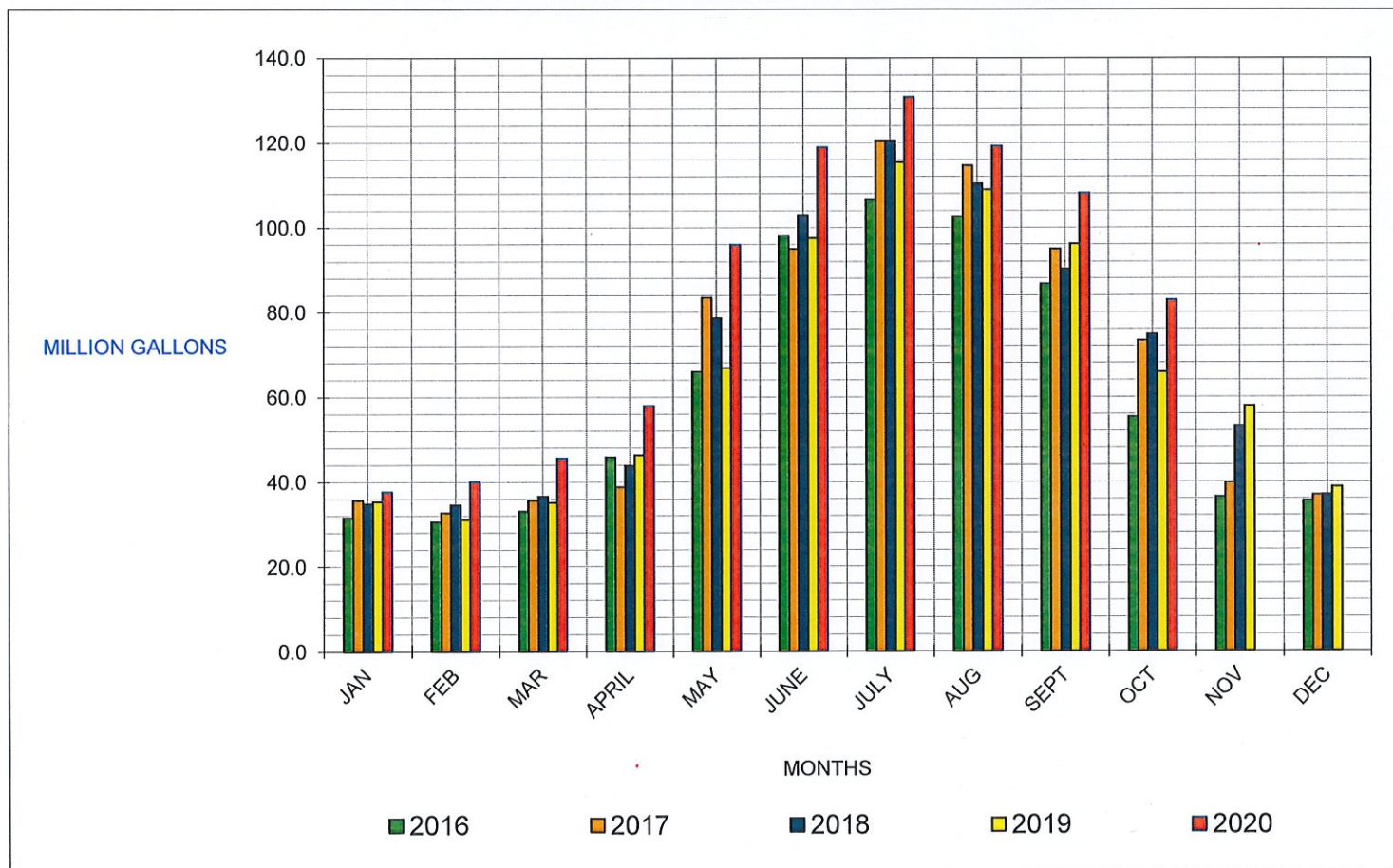
WATER PRODUCTION

2016 \ 2020

Water Production in Million Gallons

SSWD Water Purchases

| Month | 2016 | 2017 | 2018 | 2019 | 2020 | Avg. | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|
| JAN | 31.5 | 35.6 | 34.8 | 35.3 | 37.6 | 35.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FEB | 30.5 | 32.7 | 34.5 | 31.1 | 40.0 | 33.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MAR | 33.0 | 35.6 | 36.5 | 35.1 | 45.5 | 37.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| APRIL | 45.8 | 38.8 | 43.7 | 46.3 | 57.9 | 46.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MAY | 65.9 | 83.4 | 78.5 | 66.8 | 95.9 | 78.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| JUNE | 98.0 | 94.9 | 102.9 | 97.5 | 118.9 | 102.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| JULY | 106.4 | 120.5 | 120.5 | 115.4 | 130.7 | 118.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| AUG | 102.6 | 114.6 | 110.3 | 108.9 | 119.2 | 111.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SEPT | 86.7 | 94.9 | 90.1 | 96.1 | 108.1 | 95.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| OCT | 55.2 | 73.2 | 74.7 | 65.8 | 82.8 | 70.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NOV | 36.3 | 39.7 | 53.1 | 57.8 | | 46.7 | 0.0 | 0.0 | 0.0 | 0.0 | |
| DEC | 35.4 | 36.7 | 36.8 | 38.7 | | 36.9 | 0.0 | 0.0 | 0.0 | 0.0 | |
| TOTAL | 727.3 | 800.6 | 816.4 | 794.8 | 836.6 | 784.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |





**PENDING AND COMPLETED ITEMS
11-16-2020 BOARD OF DIRECTORS MEETING**

1. **Rate Study / Cost of Service Analysis.** The 11-16-2020 Board agenda includes an item to consider engaging a Municipal Financial Advisor to mitigate sharp escalations in UAL annual payments. If/when the mitigations materialize to the extent we currently anticipate, we will not need further revisions to the Cost of Service Analysis associated with the ongoing rate structure study. **Pending**
2. **SB-606 and AB-1668 planning for compliance** – See status of pending item 1, which is directly prerequisite to completing this item. **Pending**
3. **Evaluate options for mitigating the upward spiral in annual payments to CalPERS for UAL** – Additional details on the status of this issue are thoroughly provided in Agenda Item 4.1 on the 11-16-2020 Board agenda. **Pending**
4. **Create a New Position Description for Customer Service Tech 2:** Teamster Local 150 has corresponded to indicate their concurrence with the proposed position description and pay scale. The Board will consider approving the Customer Service Tech 2 position description and pay scale at the 11-16-2020 meeting. **Pending**
5. **Hexavalent Chromium MCL economic feasibility** This topic was discussed at then last Regional Contamination “Committee”. The Division of Drinking Water (DDW) personnel participating in the meeting were not the appropriate subject matter personnel to field the many questions the group asked about Hexavalent Chromium. Subsequent to the Regional Contamination meeting, DDW followed up with some of the answers. **Pending**
 - a. DDW is expecting to have a notice of proposed rulemaking for the first quarter of 2021.
 - b. DDW has posted a summary of the current occurrence data, here is the page with the link to the page:
https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Regulations.html.
DDW will be posting updates to this page with new information.
 - c. DDW will soon (by January 2021) post the preliminary cost data for treatment along with information on the cost equations that have been used.
6. **Annual Independent Financial Audit for fiscal year ending 6-30-2020** – The Board accepted the annual Independent Auditor’s report at the 10-19-2020 regular Board meeting. **Completed**
7. **Annual inflation adjustment to capacity fees** – The Contract District Engineer corresponded to indicate he will be ready for this annual process in December (Committee and Board meetings), **Pending**



Information Items
Agenda Item: 5.2

Date: November 16, 2020

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

2. BOARD REPORTS

1. Report ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Sacramento Groundwater Authority – Harris (Primary), Reisig
3. Sacramento Groundwater Authority (with RWA and SCGA) 3x3-Reisig
4. Executive Committee – Green, Reisig
5. ACWA/JPIA –Ridilla

Agenda

3x3 Committee - SCGA Staffing

November 9, 2020

2:00 pm to 4:00 pm

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/685445853>

You can also dial in using your phone.

United States: +1 (408) 650-3123

Access Code: 685-445-853

Participants

RWA: Kerry Schmitz, Sean Bigley, Cathy Lee

SGA: Caryl Sheehan, Brett Ewart, Robert Reisig

SCGA: Todd Eising, Paul Schubert, Dalia Fadl

Staff: John Woodling, Jim Peifer, Rob Swartz, Josette Reina-Luken

1. October Meeting Recap [Peifer]
2. Initial Staffing Observations – [All]
3. Staffing Model and Cost Allocations [Peifer]
4. Schedule [Woodling]
5. Transition Considerations [All]
6. Outreach [Peifer]
7. Next Steps

List of Transition Considerations

- Governance – Board Meetings, Committees, Admin & Management Services Agreement, SCGA JPA changes
- GSP Completion – Technical Work transition and GSP maintenance going forward
- Stable Funding for the SCGA – Assessment
- Financial/Admin matters – Start Up costs (Insurance), Expense Allocations, Recruitments,
- PERS – Legal Counsel needed to establish SCGA in PERS and reallocate RWA and SGA staff, SCGA approval
- Logistics – Office space, furniture, equipment, etc. for additional staff
- Policies and Procedures – Merging policies and procedures of three agencies

SCGA Transition Schedule

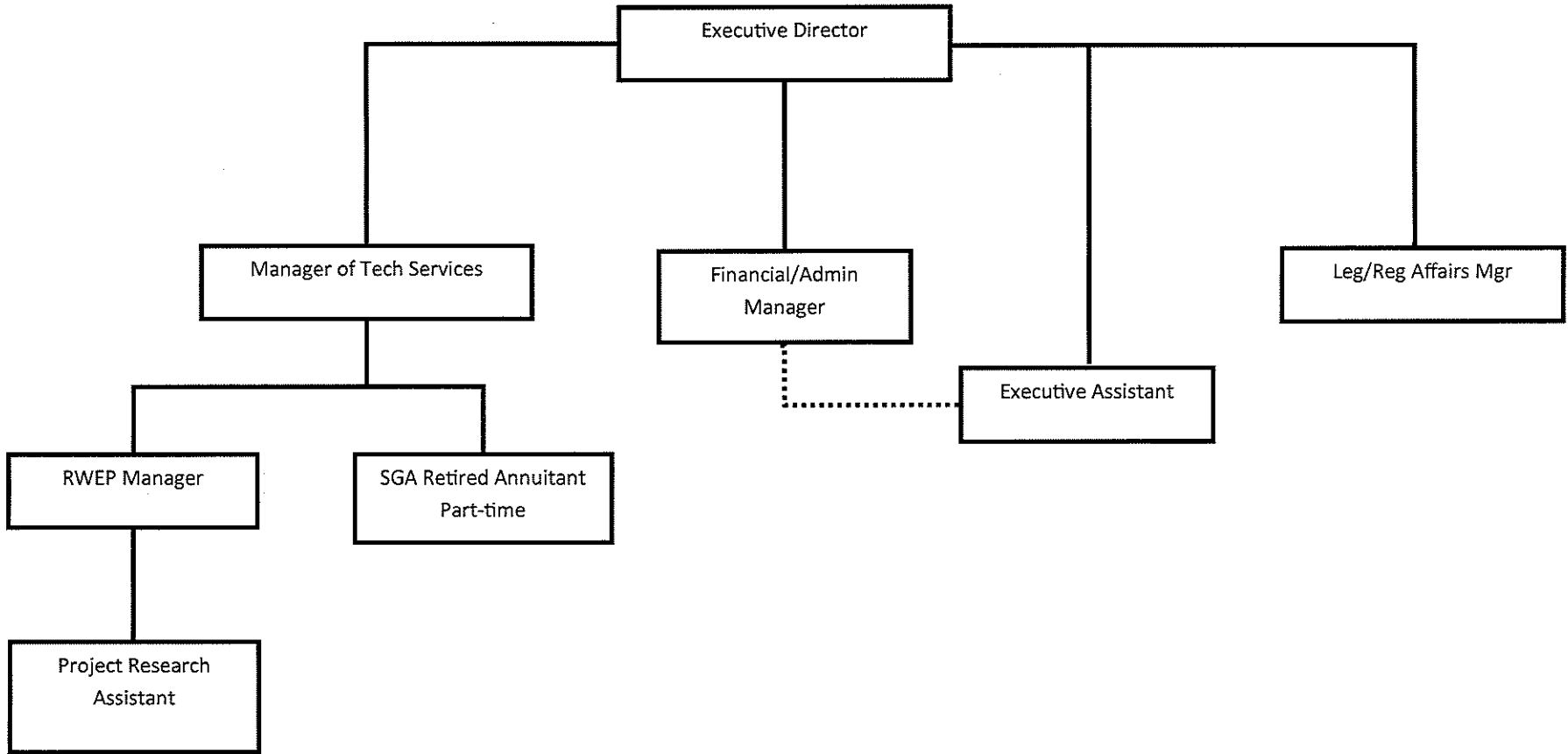
2021

- Jan 2021 – September 2021 SCGA CalPERS application
- March 2021 – August 2021 SCGA Prop 218
- May 2021 – October 2021 SCGA JPA and Policies
- November 2021 RWA hiring

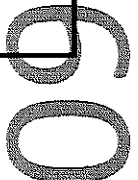
2022

- January 2022 SGA and SCGA submit GSPs
- February 2022
 - Transition Administration and SGMA Implementation
 - SCGA staff close out grants with DWR
- July 2022 Transition Finance

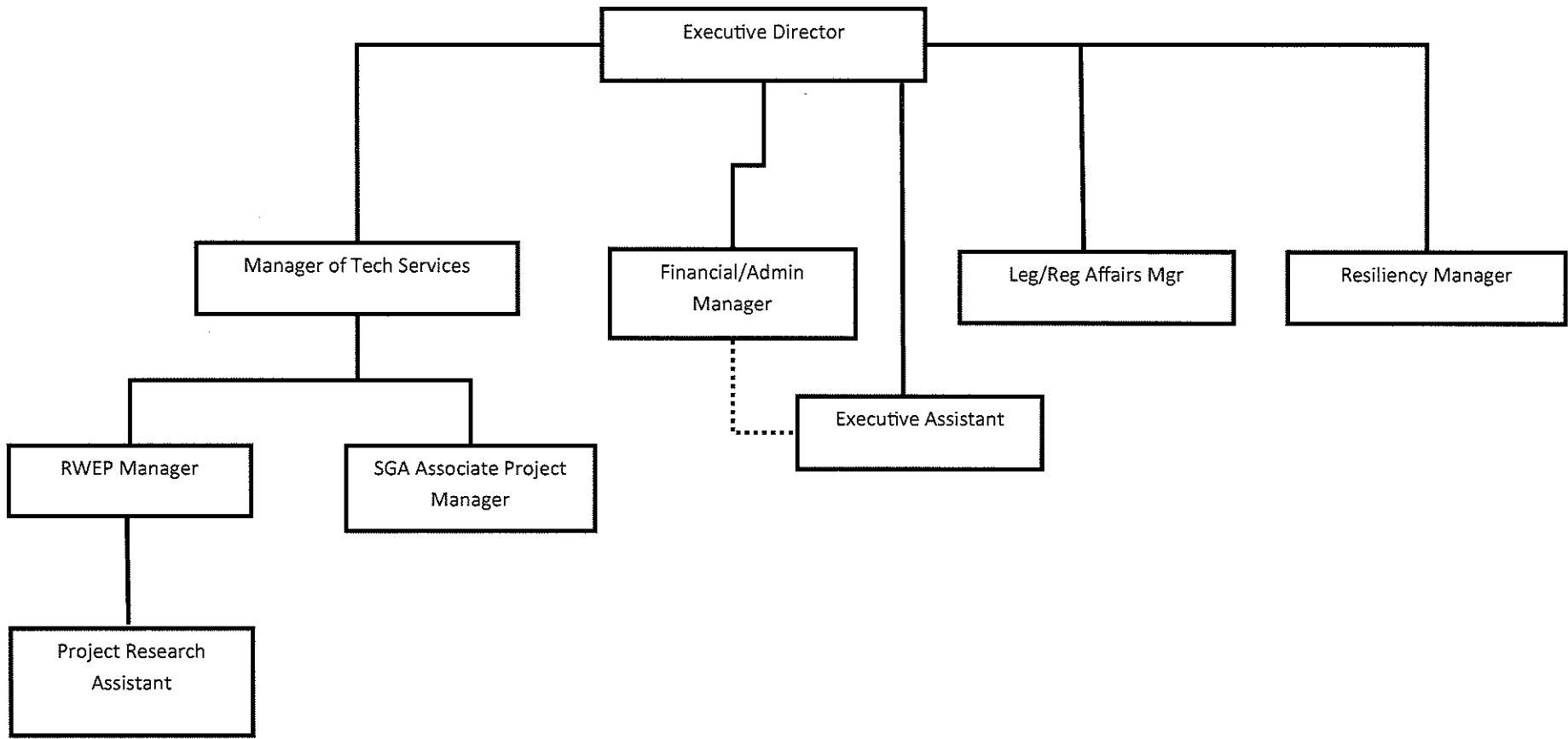
Existing RWA Staffing



Total RWA Staff = 7.5

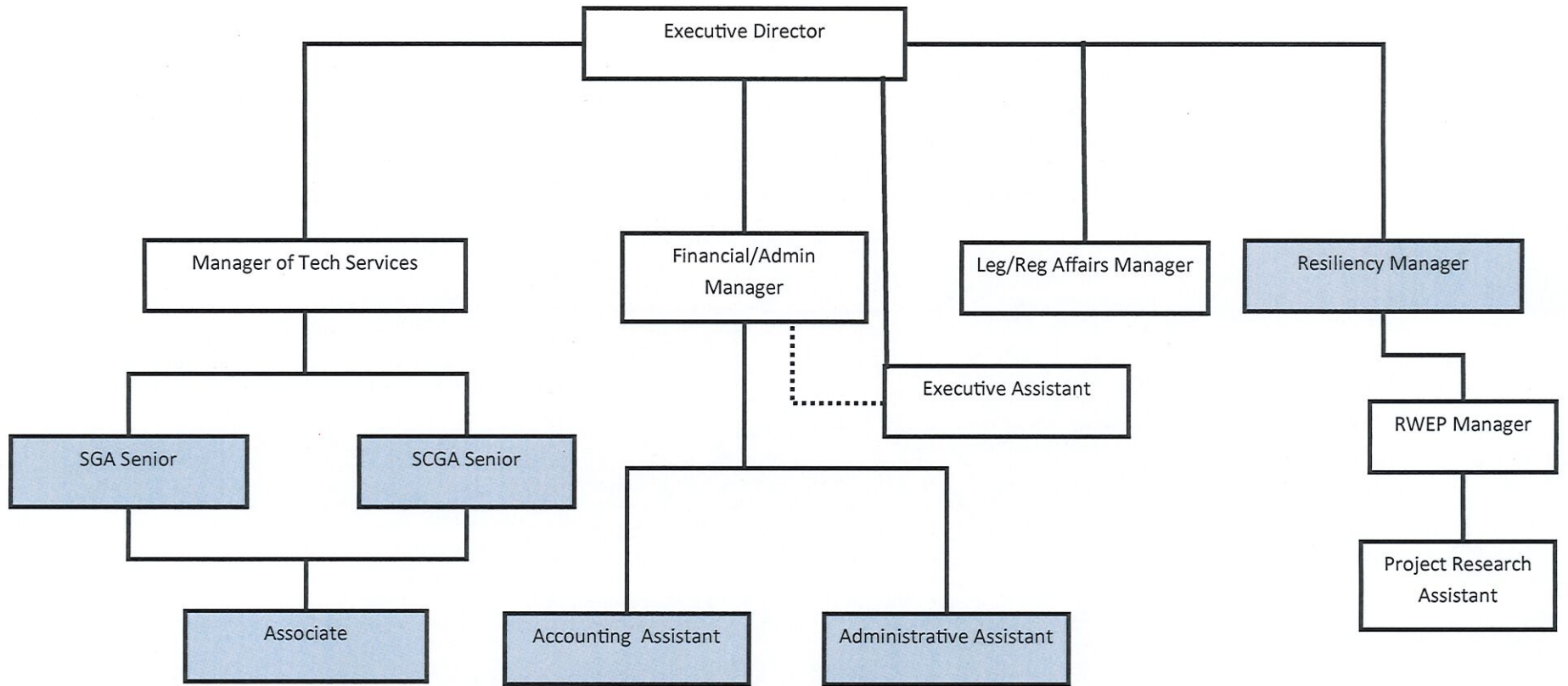


RWA Future Staffing Need (without SCGA)



Total RWA Staff = 9.0

RWA Future Staffing Need (with SCGA)



Denotes New Position

Total RWA Staff = 13.0

61

Minutes
Rio Linda / Elverta Community Water District
Executive Committee

62

November 2, 2020
6:00 P.M.

Minutes: The meeting was called to order at 6:00 P.M. The meeting was attended by Director Reisig (via Zoom), Director Green (via Zoom), General Manager Tim Shaw (via Zoom) and Contract District Engineer Mike Vasquez (via Zoom).

Call to Order 6:00 P.M.

Public Comment None

Items for Discussion:

| | |
|----|---|
| 1. | Discuss the options to mitigate the rapidly increasing annual CalPERS Unfunded Accrued Liability (UAL) payments. |
| | <i>The General Manager summarized the Agenda item report, the October 19th Board discussion, and the October 5th Committee discussion on the options for mitigating sharp increases in annual UAL payments to CalPERS. The lack of emphasis on options other than borrowing money at an interest rate lower than CalPERS charges is an issue with the CalMuni Advisors submittal. Accordingly, staff sought alternative service providers to continue to explore options for mitigating the sharp escalations in UAL annual payments. The District has previous experience with one such service provider, Fieldman Rolapp, who provided financial advisor services to the District in February 2018 for funding the Hexavalent Chromium mitigation projects.</i> <i>The Executive Committee directed staff to send Legal Counsel the draft engagement documents from Fieldman Rolapp. The Committee also forwarded an item onto the November 16th Board agenda with the Committee's recommendation that the Board authorize engagement with Fieldman Rolapp.</i> |
| 2. | Review and discuss the expenditures of the District for the month of September 2020. |
| | <i>Director Green had a question about the nature of the RDO expenditure, which the General Manager could not completely answer (only indicated that the expenditure was routine in nature). Subsequent to the Committee meeting, the General Manager provided follow up details to the Committee members that the RDO expenditure was for repairs needed on the vacuum trailer, which is frequently used to repair leaks and install new services.</i> <i>The Executive Committee forwarded this item onto the November 16th Board agenda with the Committee's recommendation for Board approval.</i> |
| 3. | Review and discuss the financial reports for the month of September 2020. |
| | <i>The Executive Committee forwarded this item onto the November 16th Board agenda with the Committee's recommendation for Board approval</i> |
| 4. | Discuss declaring material to be surplus: meeting audio equipment (not used for years) and old desktop computer. |
| | <i>The General Manager summarized the Agenda Item report and augmented the description of the potentially surplus material to be considered by the Board.</i> <i>The Executive Committee forwarded an item onto the November 16th Board agenda with the Committee's recommendation that the Board declare the material to be surplus and direct staff to disposition the surplus material pursuant to existing District policy.</i> |

| |
|---|
| <p>5. Report on draft position description for Customer Service Technician II.</p> |
| <p><i>The General Manager provided a status report on the slow and steady progress between the District and Teamster Local 150 on a Customer Service Tech II position description with corresponding pay scale. Dialog between the parties has been ongoing since shortly after the execution of the current collective bargaining agreement in May 2019. The General Manager further explained that both sides have agreed to prioritized reaching agreement on the position description and pay scale prior to asking for Board approval (contrasted to seeking Board approval subject to meet and confer). The final draft and the proposed pay scale has been provided to Teamsters Local 150.</i></p> <p><i>The Executive Committee forwarded this item onto the November 16th Board agenda, subject to receiving confirmation of Teamster Local 150 concurrence. Otherwise, the item it to be deferred to a subsequent Board agenda.</i></p> |
| <p>6. Report on pilot testing of Innov8 units with Water Scope consumption software.</p> |
| <p><i>The General Manager summarized the Agenda Item report and presented the screen shot documents of the Water Scope software showing reports and notices for participants in the phase 1 pilot study. The feedback so far is overtly positive.</i></p> <p><i>The Executive Committee directed that item be forwarded to the November 16th Board agenda to allow for discussion among all Board Members. There is no Board action anticipated or required at this time.</i></p> |
| <p>7. Update from Contract District Engineer</p> |
| <p><i>The Contract District Engineer augmented his written report and provided additional commentary for the ongoing public works projects.</i></p> |

Directors' and General Manager Comments:

Director Green asked the General Manager to confirm that the Sacramento County LAFCo special district's advisory committee vacancy nomination will be on the November 16th Board agenda.

Items Requested for Next Month's Committee Agenda

Adjournment: 7:05 P.M.

Next Executive Committee meeting: Monday, December 7, 2020 at 6:00 p.m. Remote (no in-person attendance)



Agenda Item: 6

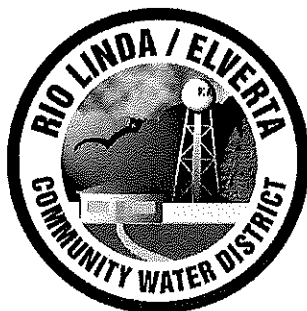
Date: November 16, 2020

Subject: Public Comment for Closed Session

Staff Contact: Timothy R. Shaw, General Manager

6. PUBLIC COMMENT FOR CLOSED SESSION

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



**Closed Session
Agenda Item: 7.1**

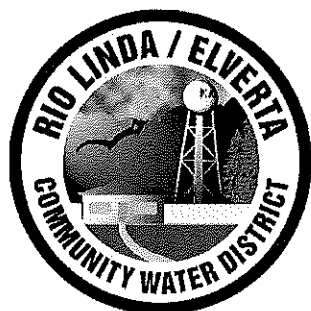
Date: November 16, 2020

Subject: Closed Session

Staff Contact: Timothy R. Shaw, General Manager

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –
Significant exposure of litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (1 case).



**Reconvene Open Session
Agenda Item: 8.1**

Date: November 16, 2020

Subject: Report of Action Taken in Closed Session

Staff Contact: Timothy R. Shaw, General Manager

8.1 Report of Action Taken in Closed Session

The Board will disclose any reportable actions taken and/or directed in closed session.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

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

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