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

July 20, 2015 (6:30 p.m.)

Visitors / Depot Center
6730 Front St.
Rio Linda, CA 95673
(916) 991-1000

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 Boards 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. Request 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 and PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT

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

Pg. 1 **3.1 Minutes:**
June 15, 2015 Regular Meeting.
The Finance & Administrative Committee recommends the Board approve the Minutes of June 15, 2015

Pg. 4 **3.2 Expenditures**
The Finance & Administrative Committee recommends approval of the June Expenditures.

Pg. 9 **3.3 Financial Reports**
The Finance & Administrative Committee received a draft of the Financial Reports as an information item only.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

Pg. 12 **4.1 District Engineer's Report**
The District Engineer will provide his monthly report to the Board.

Pg. 22 **4.1.a RWA Grant Application**
The Board will be asked to authorize the funds for a grant application. This application would fund water treatment facilities and AMI software. Action item.

Pg. 24 **4.2 State Budget and Trailer Bills**
The Board is being asked to review the State Budget and Trailer Bills to discuss with possible action.

Pg. 30 **4.3 Censure Policy Resolution 2015-02**
The Finance & Administrative Committee recommends the Board approve Resolution 2015-02. The Board is being asked to approve the Resolution 2015-02 revising the Censure Policy per legal.

Pg. 36 **4.4 Records Retention Policy Resolution 2015-03**
The Finance and Administrative Committee recommends the Board approve Resolution 2015-03. The Board is being asked to approve the Records Retention Policy Resolution 2015-03 per legal.

Pg. 47 **4.5 AMI System Purchase Resolution 2015-05**
The Finance and Administrative Committee recommends the Board approve the purchase of the AMI meters by Resolution 2015-05 with Holman Capital Corp. The Board is being asked to approve the AMI meters purchase by Resolution 2015-05 with Holman Capital Corporation.

Pg. 78 **4.6 Succession Planning**
The Finance & Administrative Committee recommends approval of the proposed Succession Plan. The Board is being asked to approve the Succession Plan.

Pg. 80 **4.7 Payment Arrangements**
The Finance & Administrative Committee recommends approval of the proposed changes to the Payment Arrangements policy. The Board is being asked to approve the revised Payment Arrangement Policy.

Pg. 84 **4.8 Policy Manual**
The Finance & Administrative Committee recommends approval of the updated Policy Manual. The Board is being asked to approve the updated Policy Manual by legal.

Pg. 131 **4.9 Adoption of Integrated Regional Water Management Plan Resolution 2015-04**
The Finance & Administrative Committee recommends approval of Resolution 2015-04. The Board is being asked to approve Resolution 2015-04 Adoption of the Integrated Regional Water Management Plan.

Pg. 139 **4.10 ACWA Fall Conference Dec. 1-4, 2015**
The Board will determine and approve if there will be an attendee to the Fall ACWA Conference.

Pg 141 **4.11 Special District Risk Management Authority (SDRMA) 2015 Election Ballot Resolution 2015-06**
The Board is being asked to vote for 3 candidates by Resolution to SDRMA's Board of Directors.

5. INFORMATION ITEMS

Pg. 149 **5.1. DISTRICT ACTIVITY REPORT**
- **a.** General Manager's Report
- **b.** Water Operations Report
- **c.** Conservation Report

Pg. 156 **5.2. BOARD REPORTS**
- **a.** Regional Water Authority – Dills, Henrici
- **b.** Sacramento Groundwater Authority – Green, Harris
- **c.** LAFCo – Green
- **d.** Planning Committee – Dills, Harris
- **e.** Finance / Administrative Committee – Ridilla, Anderson
- **f.** Other Reports

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.

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

1. **Conference with General Counsel** - The Board will meet in closed session pursuant to Government Code Section 54956.9(d)(1) - significant exposure to potential litigation (1 potential case)

2. **Conference with Board of Directors**
The Board of Directors will meet in closed session pursuant to Government Code § 54957(b)(1) – to consider the appointment, employment, evaluation of performance, discipline, or dismissal of public employee, General Manager

8. RECONVENE OPEN SESSION

9. DIRECTORS' AND GENERAL MANAGER COMMENTS

10. ADJOURNMENT

Upcoming meetings schedule:

Planning Committee
August 7, 2015, Friday at 2:00 pm at the Sacramento Metro Fire Dept., 6609 Rio Linda Blvd, Rio Linda, CA 95673.

Finance / Administrative Committee
August 10, 2015, Monday, 6:30 pm at the Visitor's / Depot Center, 6730 Front St, Rio Linda, CA 95673.

Regular Board Meeting
August 17, 2015, Monday, 6:30 pm at the Visitor's / Depot Center, 6730 Front St, Rio Linda, CA 95673.

Consent Calendar
Agenda Item: 3.1

Date: July 20, 2015

Subject: Minutes

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance and Administrative Committee recommends the Board approve the Regular Board Meeting Minutes of June 15, 2015.

Current Background and Justification:

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

Conclusion:

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____ Ridilla:____ Anderson:____Harris:____.

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

MINUTES OF THE
JUNE 15, 2015
REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE RIO LINDA/ELVERTA
COMMUNITY WATER DISTRICT

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

The June 15, 2015 Board of Directors of the Rio Linda/Elverta Community Water District was called to order at 6:30 p.m. at the Depot/Visitor Center located at 6730 Front Street, Rio Linda, CA. General Manager, Mary Henrici took roll call of the Board of Directors. Director Mary Harris, Director Duane Anderson, Director John Ridilla, and Director Brent Dills were present. President Anderson led the pledge of allegiance. Director Paul R Green, Jr. arrived to the meeting.

2. PUBLIC COMMENT

Public member, Sheila Brooks was disputing inactive charges on her property of 1831 I Street. She further stated she was unaware of the fees that had accrued on this property until just recently. Director Dills felt she had stated her case clearly and the District should waive her fees up to this point. Director Green concurred. Director Anderson gave a brief explanation on the reason behind why the inactive fee exists. GM Henrici stated she would send Ms. Brooks information on the District's current policy and the waiver for disconnection from the District's water. Ms. Brooks stated she would need a receipt by tomorrow, since she needs proof to show the courts by tomorrow. GM Henrici stated she would waive the fees and would need Ms. Brooks to come by the office to pick up a copy of the lien release for the courts.

3. CONSENT CALENDAR

Action items: Approve Consent Calendar Items

3.1 Minutes:
May18, 2015 Regular Meeting and Public Hearing
3.2 Expenditures
3.3 Financial Reports

It was moved by Director Dills and seconded by Director Ridilla to approve the Consent Calendar. Directors Dills, Anderson, Green, and Ridilla voted yes. Director Harris abstained. The motion carried with a vote of 4-0-1.

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1 District Engineer's Report

District Engineer, Jim Carson provided the Board of Directors with a technical memorandum of current projects since the last Board meeting. Mr. Carson highlighted some key points of the current projects and timeline of those projects.

4.2 California Bank and Trust Resolution Form

GM Henrici explained now that Matt Longo is no longer on the Board, the corporate resolution for the District needs to be updated to remove Mr. Longo and add Duane Anderson.

It was moved by Director Harris and seconded by Director Ridilla to add Duane Anderson to the CBT Corporate Resolution. Directors Dills, Harris, Anderson, Green and Ridilla voted yes. The motion carried with a unanimous vote of 5-0-0.

4.3 AMI Meter Purchase Options

GM Henrici explained her recommendation was to finance the Ami system by taking the funds from the Operating fund and have all the services installed within the year. The Capital Improvement fund would stay intact.

Director Harris commented that the District should pay in full for the meters since we have the money rather than finance it.

GM Henrici informed the Board she would buy new lids for the current meters to be retro fitted. It would cost the District $14 a lid and $35 an hour to have staff drill holes in the existing lids, which may break.

It was moved by Director Green and seconded by Director Dills to purchase the AMI meters by financing through the Operating Fund, which would require the budget to be adjustment for the 2015-16 FY. Directors Dills, Anderson, Green and Ridilla voted yes. Director Harris voted no. The motion carried with a vote of 4-1-0.

4.4 July Planning Meeting

The Planning committee members agreed to hold the next Planning Meeting, Monday, July 6th at 6:00 p.m.

4.5 Sacramento Suburban/San Juan Consolidation

Director Anderson stated that this item was requested by Director Harris to discuss.
Director Harris expressed her concerns with the consolidation of these two agencies. She felt they would have too much control and be monopolizing the water in this area. She stated the District should take a stand against this issue.
Director Green had concerns about the possible impact it will have on our District.
GM Henrici stated that these two agencies really should not have any effect on us, but LAFCo is really who will be dealing with this issue.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

a. General Manager's Report – Written report provided.
b. Water Production Report – Written report provided.
c. Conservation Report – Written Report provided.

5.2. BOARD REPORTS

a. Regional Water Authority – Dills, Henrici – No Meeting to report.
b. Sacramento Groundwater Authority – Green, Harris – Agenda and Executive Report was provided.
c. LAFCo –Green – No meeting to report.
d. Planning Committee – Dills, Harris –June meeting cancelled.
e. Finance / Administrative Committee – Ridilla, Anderson –June minutes provided.
f. Other Reports – Completed & Pending Items written report given.

Director Dills asked about the trimming of the tree on the Pending Items report. GM Henrici stated she is waiting until winter.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

Director Ridilla stated at the Finance Meeting the Succession Planning item was tabled to the next meeting until the General Manager could provide more information to the committee.

Director Ridilla stated that 99 users have signed up for electronic billing.

Director Ridilla questioned the procedures for placing a lien on a property in our District and how the property owner is notified. Director Green questioned if legals' information could be added to our lien letter.

7. ADJOURNMENT

President, Anderson adjourned the meeting at 8:34 p.m.

Respectfully submitted,

Mary Henrici, Secretary

Duane Anderson, President of the Board

Consent Calendar
Agenda Item: 3.2

Date: July 20, 2015

Subject: Expenditures

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:
The Finance and Administrative Committee recommends approval of the Expenditures for the month of June 2015.

Current Background and Justification:
These expenditures have been done since the last regular meeting of the Board.

Conclusion:

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____ Ridilla:____ Anderson:____Harris:____.

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

Accrual Basis

Rio Linda Elverta Community Water District
Operating Account GL 10000 Expenditure Report
June 2015

Type	Date	Num	Name	Memo	Amount
Liability Check	06/03/2015	EFT	CalPERS	For PP Ending 05/31/2015 Paydate 06/05/2015	-3,655.41
Liability Check	06/03/2015	EFT	CalPERS	For PP Ending 05/31/2015 Paydate 06/05/2015	-988.00
Liability Check	06/03/2015	EFT	CalPERS	GASB 68 Reports	-850.00
Liability Check	06/03/2015	EFT	CalPERS	GASB 68 Reports	-850.00
Liability Check	06/04/2015	EFT	QuickBooks Payroll Service	For PP Ending 05/31/2015 Paydate 06/05/2015	-16,227.11
Liability Check	06/05/2015	EFT	Nationwide	Employee Benefits	-375.00
Liability Check	06/05/2015	EFT	Internal Revenue Service	Employment Taxes	-6,013.20
Liability Check	06/05/2015	EFT	Employment Development	Employment Taxes	-1,032.17
Liability Check	06/05/2015	EFT	Health Equity	Employee Benefits	-150.00
Check	06/05/2015	EFT	Sprint	Field Communication	-241.25
Check	06/05/2015	EFT	RLECWD	Transfer to Security Trust Account	-100.00
Paycheck	06/05/2015	3691	Employee	For PP Ending 05/31/2015 Paydate 06/05/2015	-92.35
Liability Check	06/05/2015	3692	California State Disbursement Unit	Employee Garnishment	-397.50
Liability Check	06/05/2015	3693	Franchise Tax Board	Employee Garnishment	-131.53
Check	06/05/2015	3694	Customer	Washing Machine Rebate	-50.00
Check	06/05/2015	3695	Customer	Final Bill Refund	-14.60
Check	06/05/2015	3696	Customer	Final Bill Refund	-56.44
Check	06/05/2015	3697	Customer	Final Bill Refund	-60.00
Check	06/05/2015	3698	Customer	Final Bill Refund	-39.09
Check	06/05/2015	3699	Rio Linda High School	Water Conservation Ad	-50.00
Bill Pmt -Check	06/05/2015	3700	ACWA/JPIA Powers Insurance Authority	Employee Benefits	-25.30
Bill Pmt -Check	06/05/2015	3701	Affinity Engineering	Elverta Specific Plan; Northborough	-9,815.00
Bill Pmt -Check	06/05/2015	3702	BSK Associates	Laboratory Services	-315.00
Bill Pmt -Check	06/05/2015	3703	Churchwell White, LLP	Attorney Fees	-3,454.80
Bill Pmt -Check	06/05/2015	3704	Cintas Corporation	Safety	-35.29
Bill Pmt -Check	06/05/2015	3705	Comcast	Phone/Internet	-418.44
Bill Pmt -Check	06/05/2015	3706	GM Construction & Developers, Inc.	Service Install Contractor	-1,400.00
Bill Pmt -Check	06/05/2015	3707	Government Finance Office Association	Membership Fee	-160.00
Bill Pmt -Check	06/05/2015	3708	One Print Source & Graphics	Uniforms	-649.40
Bill Pmt -Check	06/05/2015	3709	Prudential Overall Supply	Uniforms	-248.50
Bill Pmt -Check	06/05/2015	3710	Quill Corporation	Office Supplies	-114.55
Bill Pmt -Check	06/05/2015	3711	Republic Services	Utilities	-83.54
Bill Pmt -Check	06/05/2015	3712	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	-50.00
Bill Pmt -Check	06/05/2015	3713	Rio Linda Hardware and Building Supply	Shop Supplies	-113.80
Bill Pmt -Check	06/05/2015	3714	Sherrill, Joseph	Current Monthly Settlement Payment 24 of 30	-2,966.66
Bill Pmt -Check	06/05/2015	3715	Sierra Chemical Company	Chemical Supplies	-966.58
Bill Pmt -Check	06/05/2015	3716	SMUD	Utilities: Billing Period 4/8/15 to 5/6/15	-13,842.94
Bill Pmt -Check	06/05/2015	3717	VOID		0.00
Bill Pmt -Check	06/05/2015	3718	Umpqua Bank	May & June Debt Service Payments	-40,000.00
Bill Pmt -Check	06/05/2015	3719	Postmaster	Annual PO Box Fee	-220.00
Bill Pmt -Check	06/05/2015	3720	Vanguard Cleaning Systems	Janitorial	-195.00
Bill Pmt -Check	06/05/2015	3721	VOID		0.00
Bill Pmt -Check	06/05/2015	3722	State Water Resources Control Board	License Renewal	-60.00
Bill Pmt -Check	06/05/2015	3723	Well Tec, Inc.	Pump Maintenance	-5,004.13
Liability Check	06/17/2015	EFT	CalPERS	For PP Ending 06/15/15 Pay date 06/19/15	-3,814.57

Rio Linda Elverta Community Water District
Operating Account GL 10000 Expenditure Report
June 2015

Type	Date	Num	Name	Memo	Amount
Liability Check	06/17/2015	EFT	CalPERS	For PP Ending 06/15/15 Pay date 06/19/15	-1,086.80
Liability Check	06/17/2015	EFT	Western Health Advantage	Employee Benefits	-6,561.75
Liability Check	06/18/2015	EFT	QuickBooks Payroll Service	For PP Ending 06/15/15 Pay date 06/19/15	-16,791.03
Check	06/18/2015	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	-41,666.67
Check	06/18/2015	EFT	RLECWD - SURCHARGE ACCOUNT	Current Monthly Transfer	-45,432.78
Liability Check	06/19/2015	EFT	Internal Revenue Service	Employment Taxes	-6,478.14
Liability Check	06/19/2015	EFT	Employment Development	Employment Taxes	-1,161.49
Liability Check	06/19/2015	EFT	Nationwide	Employee Benefits	-375.00
Liability Check	06/19/2015	EFT	Health Equity	Employee Benefits	-150.00
Liability Check	06/19/2015	EFT	AFLAC	Employee Benefits	-357.84
Bill Pmt -Check	06/19/2015	EFT	Bankcard Center 8801	Fuel	-370.00
Bill Pmt -Check	06/19/2015	EFT	Bankcard Center 8900	Fuel	-295.72
Bill Pmt -Check	06/19/2015	EFT	Bankcard Center 9007	Fuel	-148.00
Bill Pmt -Check	06/19/2015	EFT	Bankcard Center 9106	Janitorial Meetings & Conf, Management & Staff Training, Office Expense, Fuel, Postage	-1,531.51
Bill Pmt -Check	06/19/2015	EFT	Bankcard Center 9205	Fuel	-229.79
Bill Pmt -Check	06/19/2015	EFT	Bankcard Center 9304	Fuel	-314.71
Paycheck	06/19/2015	3724	Employee	For PP Ending 06/15/15 Pay date 06/19/15	-92.35
Liability Check	06/19/2015	3725	California State Disbursement Unit	Wage Garnishment	-397.50
Liability Check	06/19/2015	3726	Franchise Tax Board	Wage Garnishment	-107.45
Liability Check	06/19/2015	3727	Sunlife Financial	Employee Benefits	-924.74
Check	06/19/2015	3728	Sacramento County Recorder	Leins and Lein Releases	-375.00
Check	06/19/2015	3729	Customer	Refund: Water Customer Account Over Payment	-454.82
Check	06/19/2015	3730	Customer	Refund: Water Customer Account Over Payment	-163.80
Check	06/19/2015	3731	Customer	Refund: Water Customer Account Over Payment	-225.09
Check	06/19/2015	3732	Customer	Refund: Water Customer Account Over Payment	-228.64
Check	06/19/2015	3733	Customer	Refund: Water Customer Account Over Payment	-510.73
Check	06/19/2015	3734	Customer	Refund: Water Customer Account Over Payment	-266.61
Check	06/19/2015	3735	Customer	Refund: Water Customer Account Over Payment	-294.21
Check	06/19/2015	3736	Customer	Refund: Water Customer Account Over Payment	-189.24
Check	06/19/2015	3737	Customer	Refund: Water Customer Account Over Payment	-271.49
Check	06/19/2015	3738	Customer	Refund: Water Customer Account Over Payment	-185.09
Check	06/19/2015	3739	Customer	Refund: Water Customer Account Over Payment	-182.15
Check	06/19/2015	3740	Customer	Refund: Water Customer Account Over Payment	-586.80
Check	06/19/2015	3741	Customer	Refund: Water Customer Account Over Payment	-298.89
Check	06/19/2015	3742	Customer	Refund: Water Customer Account Over Payment	-173.94
Check	06/19/2015	3743	Customer	Refund: Water Customer Account Over Payment	-667.43
Check	06/19/2015	3744	Customer	Refund: Water Customer Account Over Payment	-174.53
Check	06/19/2015	3745	Customer	Refund: Water Customer Account Over Payment	-156.57
Check	06/19/2015	3746	Customer	Refund: Water Customer Account Over Payment	-371.85
Check	06/19/2015	3747	Customer	Refund: Water Customer Account Over Payment	-696.19
Check	06/19/2015	3748	Customer	Refund: Water Customer Account Over Payment	-174.98
Check	06/19/2015	3749	Customer	Refund: Water Customer Account Over Payment	-239.07
Check	06/19/2015	3750	Customer	Refund: Water Customer Account Over Payment	-386.19
Check	06/19/2015	3751	Customer	Refund: Water Customer Account Over Payment	-174.83

Rio Linda Elverta Community Water District
Operating Account GL 10000 Expenditure Report
June 2015

Type	Date	Num	Name	Memo	Amount
Check	06/19/2015	3752	Customer	Refund: Water Customer Account Over Payment	-150.00
Bill Pmt -Check	06/19/2015	3753	Mason Adams	Quarterly Retiree Insurance/Payment Ends 12/31/15	-900.00
Bill Pmt -Check	06/19/2015	3754	Affinity Engineering, Inc.	Engineering Services	-5,340.00
Bill Pmt -Check	06/19/2015	3755	American Mobile Shredding Inc.	Office Expense	-25.00
Bill Pmt -Check	06/19/2015	3756	Anthem Blue Cross	Wickham 3rd Quarter Retiree Insurance: Lifetime Benefit	-945.21
Bill Pmt -Check	06/19/2015	3757	Churchwell White, LLP	Attorney Fees	-1,820.00
Bill Pmt -Check	06/19/2015	3758	Corelogic Solutions	Metro Scan	-134.75
Bill Pmt -Check	06/19/2015	3759	DirectHit Pest Control	Building Maintenance	-75.00
Bill Pmt -Check	06/19/2015	3760	PG&E	Utilities	-48.53
Bill Pmt -Check	06/19/2015	3761	Thomas Ray	Quarterly Retiree Insurance/Payment Ends 12/31/15	-900.00
Bill Pmt -Check	06/19/2015	3762	Regional Water Authority	Conservation	-94.94
Bill Pmt -Check	06/19/2015	3763	Sierra Chemical Company	Chemical Expense	-755.70
Bill Pmt -Check	06/19/2015	3764	Spok, Inc.	Field Communication	-15.17
Bill Pmt -Check	06/19/2015	3765	Thrasher Bros Automotive	Transportation Repair	-723.68
Bill Pmt -Check	06/19/2015	3766	Gerald Wickham	2nd Quarter Retiree Insurance: Lifetime Benefit	-238.40
Check	06/19/2015	3767	Customer	Refund: Water Customer Account Final Bill	-58.26
Liability Check	06/25/2015	EFT	Dental and Vision Ins.com	Employee Benefits	-234.20
Total 10000 · Bank - Operating Account					**-259,707.40**

Accrual Basis

Rio Linda Elverta Community Water District
Other Accounts Expenditure Report
June 2015

Type	Date	Num	Payee	Memo	Amount
Check	06/18/2015	EFT	RLECWD - Operating Account	May 2015 Security Deposits Applied	-2,230.00
10100 · Security Deposits					**-2,230.00**

Type	Date	Num	Payee	Memo	Amount
Bill Pmt -Check	06/29/2015	EFT	State Water Resource Control Board	Interest payment on loan	-88,086.24
10300 · Surcharge Account					**-88,086.24**

Type	Date	Num	Payee	Memo	Amount
Bill Pmt -Check	06/24/2015	EFT	RLECWD	Close out Construction SRF Account-Transfer to Surcharge Account	-5,000.00
10302 · Construction SRF Account					**-5,000.00**

Type	Date	Num	Payee	Memo	Amount
Bill Pmt -Check	06/19/2015	1009	Affinity Engineering	Rio Linda Blvd Main Replacement	-800.00
Bill Pmt -Check	06/19/2015	1009	Affinity Engineering	Well 15 Blending Study	-320.00
Bill Pmt -Check	06/19/2015	1009	Affinity Engineering	Well 12 Storm Drain Design	-2,696.00
Bill Pmt -Check	06/19/2015	1010	County of Sacramento	Rio Linda Blvd Main Replacement	-1,473.24
Bill Pmt -Check	06/19/2015	1011	Durham Pump & Irrigation	Well 15 Blending Study	-13,413.84
Bill Pmt -Check	06/19/2015	1012	Two Rivers Architechts Inc.	District Office Building	-2,775.00
Bill Pmt -Check	06/19/2015	1013	Weber General Engineering, Inc.	Rio Linda Blvd Main Replacement	-200,010.60
10400 · Capital Improvement					**-221,488.68**

Consent Calendar
Agenda Item: 3.3

Date: July 20, 2015

Subject: Financial Reports

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance and Administrative Committee received a draft of the Financial Reports for the District for the month of June 2015.

Current Background and Justification:

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

Conclusion:

These financials need to be presented to the Board in order to inform them of the District's current financial condition.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____ Ridilla:____ Anderson:____Harris:____.

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

Rio Linda Elverta Community Water District
Balance Sheet - Preliminary Draft
Accrual Basis — As of June 30, 2015

10

	Jun 30, 15
ASSETS	
Current Assets	
Checking/Savings	
100 · Cash & Cash Equivalents	2,003,939.33
102 · Restricted Assets	2,147,214.68
Total Checking/Savings	4,151,154.01
Accounts Receivable	274,423.30
Other Current Assets	
12000 · Water Utility Receivable	50,819.71
12250 · Accrued Interest Receivable	1,352.12
15000 · Inventory	51,811.55
16000 · Prepaid Expense	40,087.66
Total Other Current Assets	144,071.04
Total Current Assets	4,569,648.35
Fixed Assets	
17000 · General Plant	103,126.60
17100 · Transmission & Distribution	10,222,206.12
17130 · Source of Supply Plant	105,840.87
17150 · Pumping Plant	83,703.25
17200 · Construction in Progress	3,633,328.41
17500 · Land	496,673.45
Total Fixed Assets	14,644,878.70
Other Assets	
18000 · Intangible Assets	194,694.30
19000 · Deferred Outflows	400,601.70
Total Other Assets	595,296.00
TOTAL ASSETS	**19,809,823.05**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	147,128.76
Credit Cards	3,443.05
Other Current Liabilities	93,620.06
Total Current Liabilities	244,191.87
Long Term Liabilities	
23500 · Lease Buy-Back	993,118.07
24000 · Sherrill Settlement - LT	17,800.16
25000 · Surcharge Loan	7,239,269.04
26000 · Water Rev Refunding	2,688,622.00
Total Long Term Liabilities	10,938,809.27
Total Liabilities	11,183,001.14
Equity	
31500 · Invested in Capital Assets, Net	4,964,131.46
32000 · Restricted for Debt Service	817,652.75
32500 · Restricted for Capital Imp.	1,132,219.39
38000 · Unrestricted Equity	923,655.30
Net Income	789,163.01
Total Equity	8,626,821.91
TOTAL LIABILITIES & EQUITY	**19,809,823.05**

Rio Linda Elverta Community Water District
Profit & Loss Budget Performance
Preliminary Draft June 30, 2015

	Annual Budget	June 15	Jul 14 - June 15	% of Annual Budget	YTD Annual Budget Balance
Ordinary Income/Expense					
Income					
40000 · Operating Revenue					
Total 40000 · Operating Revenue	2,370,350.00	151,522.33	2,203,079.07	92.94%	167,270.93
41000 · Non-Operating Revenue					
41100 · Rents & Leases	0.00	0.00	12,554.86	100.0%	-12,554.86
41110 · Investment Revenue					
41111 · Dividend Revenue	0.00	0.00	0.00	0.0%	0.00
41112 · Interest Revenue	0.00	32.27	1,295.56	100.0%	-1,295.56
41113 · Market Value Adjustment	0.00	0.00	-509.56	100.0%	509.56
41114 · Gain/Loss Realized	0.00	0.00	-462.50	100.0%	462.50
Total 41110 · Investment Revenue	4,000.00	32.27	323.50	8.09%	3,676.50
41120 · Taxes and Assessments	60,000.00	0.00	78,620.42	131.03%	-18,620.42
41140 · Other Non-Operating Revenue	2,500.00	0.00	0.00	0.0%	2,500.00
Total 41000 · Non-Operating Revenue	66,500.00	32.27	91,498.78	137.59%	-24,998.78
Total Income	2,436,850.00	151,554.60	2,294,577.85	94.16%	142,272.15
Gross Income	2,436,850.00	151,554.60	2,294,577.85	94.16%	142,272.15
Expense					
60000 · Operating Expenses					
60010 · Officers, Auditor & Legal Fees	131,550.00	3,868.83	103,341.62	78.56%	28,208.38
60110 · Salaries & Wages	542,870.00	47,007.97	515,607.52	94.98%	27,262.48
60150 · Employee Benefits & Expense	280,175.00	28,160.52	263,665.81	94.11%	16,509.19
60200 · Office Operations	237,273.00	4,941.02	225,935.48	95.22%	11,337.52
60400 · Conservation	11,894.00	258.15	11,549.27	97.1%	344.73
60420 · Engineering Services	40,000.00	5,340.00	30,841.11	77.1%	9,158.89
65000 · Field Operations	445,500.00	26,901.97	362,128.53	0.81	83,371.47
Total 60000 · Operating Expenses	1,689,262.00	116,478.46	1,513,069.34	89.57%	176,192.66
69000 · Non-Operating Expenses					
69110 · Revenue Bond 2003					
69110 · Interest	140,088.00	0.00	123,557.23	88.2%	16,530.77
69120 · Admin Fees	1,870.00	-150.00	63,870.92	3,415.56%	-62,000.92
Total 69110 · Revenue Bond 2003	141,958.00	-150.00	187,428.15	132.03%	-45,470.15
69400 · Other Non-Operating Expense	5,000.00	0.00	970.00	19.4%	4,030.00
Total 69000 · Non-Operating Expenses	146,958.00	-150.00	188,398.15	128.2%	-41,440.15
Total Expense	1,836,220.00	116,328.46	1,701,467.49	92.66%	134,752.51
Net Ordinary Income	600,630.00	35,226.14	593,110.36	98.75%	7,519.64
Net Income	**600,630.00**	**35,226.14**	**593,110.36**	**98.75%**	**7,519.64**

Items for Discussion and Action
Agenda Item: 4.1

Date: July 20, 2015

Subject: District Engineers Report

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

There is no committee recommendation on this item.

Current Background and Justification:

The District Engineer will report on the progress of projects since the last meeting of the Board.

Conclusion:

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____Green:_____Ridilla:_____ Anderson:_____Harris:_____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.1

Date

Initial Potential Meeting Date 7/20/15

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

District Engineer's Report

7/16/15

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 N/A

Review by appropriate Finance/Administration, Projects /Planning 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 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

AFFINITY
ENGINEERING

14

TECHNICAL MEMORANDUM

To:	Mary Henrici – General Manager
From:	Jim Carson, District Engineer (Affinity Engineering)
Subject:	District Engineering Staff Report – July 2015
Date:	July 16, 2015

This Technical Memorandum (TM) updates the Board of Directors on Rio Linda/Elverta Community Water District (District) engineering related activities since last month's engineering report.

1. **Planning Committee**

   Prepared the agenda and attended the July Planning Committee.

2. **Regional Water Treatment Plant**

   A meeting was held with the 11 water purveyors regarding the regional water treatment plant. West Yost and Associates provided a project presentation. The draft report showed tentative pipeline routes and preliminary cost estimates and cost sharing alternatives. A draft report will be provided to the member water purveyors for review and comments in August.

3. **Water Supply Strategic Plan Update for Hexavalent Chromium (Cr6)**

   The Master Plans Water Supply Strategic Plan was updated to address the District's water supply to meet the MCL for Cr6 (See Attached Water Supply Strategic Plan dated June 24, 2015). In addition the projected five year capital improvement plan (See Attached 5 Year Capital Improvement Program) was updated with a focus to get the District in compliance with the new Cr6 MCL over the next 4 years.

4. **Cr6 Mitigation – Well 10 Pilot Testing**

   The second Cr6 Pilot testing has started at Well 10. The pilot test will continue for the next two months. The results of the test will be used in the design of the new treatment system for Well 10.

5. **RWA Grant Funding Submittal**

   A Proposition Grant Funding submission is currently being completed through RWA. The grant funding is planned to partially fund Cr6 treatment at Well 10. The preliminary cost estimate for the project is $960,000 with grant funding estimated at $400,000. The District's application fee will be $8,000.

6. Labor Compliance Request for Qualifications

A Request for Qualifications (RFQ) was completed and solicited to labor compliance consultants in order to see qualified consultants that can assist the District in meeting labor compliance requirements for District funded projects.

7. Elverta Specific Plan

A meeting was held with Sacramento County's Planning Staff and SGA to discuss how the Elverta Specific Plan will meet the Planning Commission's PF8 requirement. The District is working with County staff in providing District water supply plans to meet this requirement. Continued meetings are planned to work out this issue.

8. 2015/16 Revised Capital Budget

The 2015/16 Capital Budget was finalized.

9. Capital Projects

a. District Office Upgrades

The final preliminary District Office Layout was reviewed by District staff and completed by the architect (See Attached Preliminary Office Layout and Site Layout). The drawings will be used in locating a new District Office site. The new site layout meets all current building code requirements.

b. Front St. Pipeline

The Front Street Pipeline has been installed and is currently being pressure tested and disinfected prior to being put into service.

c. Rio Linda Blvd Pipeline

The Rio Linda Pipeline has been installed with the exception of the final tie in on Elverta Blvd. The pipeline is currently being pressure tested and disinfected prior to completing this final tie in and being put into service. The final tie in is scheduled for next week.

d. L Street Storm Drain Extension

The storm drain extension design has been completed and will be sent out to bid as part of the combined pipeline project bid.

e. Well 15 – Pump Modification for Cr6 Mitigation

The suction pipe extension on the pump was partially successful. The Cr6 levels were reduced from 13 ppb to 11 ppb. This is slightly over the MCL for Cr6. The District is currently performing some additional sampling in the adjacent monitoring well to determine if sealing off the upper well perforations will reduce the concentration of Cr6 further. Additionally, the District is trying to determine the loss in well production if the well is modified.

f. Non Scheduled Emergency Pump Replacement Projects

a. Well 12 Pump Replacement: The well pump and motor are currently being installed.
b. Well 7's new pump base is being installed.

g. Project Schedule

See attached updated 2014/15 Capital Budget Project Schedule that was provided to the Planning Committee Members for June.

Attachments:

- Water Supply Strategy Update – Cr6
- Five Year Capital Improvement Program
- Preliminary Office Layout and Site Layout
- 2014/15 Capital Budget Project Schedule

AFFINITY
ENGINEERING

16

TECHNICAL MEMORANDUM

To:	Mary Henrici – General Manager
From:	Jim Carson, District Engineer (Affinity Engineering)
Subject:	Water Supply Strategy Update
Date:	June 24, 2015

This Technical Memorandum (TM) provides an update to the District's Water Supply Strategy in response to the new hexavalent chromium (Cr6) maximum contaminant level (MCL) that is affecting the District's water supply wells. Water supply improvements have been identified that would maintain the District's water supply while meeting all State Water Resources Control Board's Division of Drinking Water's MCLs. These improvements were submitted for grant funding in Sacramento Regional Water Authority's Integrated Regional Water Management Program.

The following are the water supply improvements that are being planned to maintain the District's water supply along with Table 1 showing an estimated cost for each improvement:

1. Well 15:

   Well 15 is the District's newest and most important water supply facility. The well currently has a Cr6 level of 11 ppb, which is 1 ppb over the MCL. Recently, the District lowered the well's suction piping in an effort to improve water quality by drawing more water from the lower well screens. This lowered the concentration of Cr6 from 13 ppb to its current level of 11 ppb. The following are a description of the District's plans for Well 15:

   a. Well Modification: Depth-specific water quality evaluation of the well to determine if sealing off the upper perforations in the well will further reduce the concentrations of Cr6 to below the MCL.

   b. Blending Well: Evaluate if an adjacent new well sealed and screened below 500 feet would have acceptable water quality that could blend the water from Well 15 to below the Cr6 MCL. A blending study is currently underway to determine if this is feasible.

   c. Cr6 Treatment: If the well modification or new blending well will not drop the Cr6 level to below the MCL, then Cr6 treatment will be added to reduce the Cr6 levels to a target level of 8 ppb. A site layout will be completed that will determine if additional property is needed for the treatment equipment.

2. Replacement Wells 16 and 17:

   Two new replacement wells (Well 16 and 17) are planned to replace existing Wells 4, 6, 8A, and 11. These existing wells have Cr6 levels above the MCL and there is not have enough property near these wells to add treatment equipment. Wells 4, 6, and 8A are also old and their production is low in relation to a new well. Well 11's casing has failed and a liner was installed. The pump is currently stuck in the well and will take some effort to be removed.

   The current capacity of these wells is approximately 2,500 gpm. It is planned that these four wells be replaced with two 1,500 gpm wells for a combined capacity of 3,000 gpm. These wells are planned for the northeastern part of the District where there is a high probability that treatment for arsenic, manganese and Cr6 can be avoided. Land needs to be identified for these two wells. The new wells will also require a transmission main to distribute these well's water supply to the location where the existing wells were removed from service.

3. Well 2A and 10 – Cr6 Treatment:

   Wells 2A and 10 have available land to add Cr6 treatment. Well 10 is budgeted to remove its uncertified hydropneumatic tank along with the replacement of its electrical panel and new upgraded electrical service. The Cr6 treatment of these wells will be a strong based ion exchange process. A pilot study was completed last year on Well 10 and showed that bed volumes in excess of 80,000 bed volumes could be achieved before media regeneration would be required. A second pilot study is starting in June 2015 to confirm these results. The target Cr6 concentration leaving the plant will be 8 ppb. This will be accomplished by using a treatment plant bypass line that will blend with the treatment system. Pump testing will also be a part of this project to maximize the wells capacity and supply to the system.

4. Well 14 – Arsenic Treatment:

   Well 14 was drilled in 2007 and due to arsenic (37 ppb) and manganese (170 ppb) levels being higher than DDW's MCL, the well was never equipped. The estimated capacity of the well was approximately 2,000 gpm. The well does not have any levels of Cr6. Arsenic treatment using coagulation/filtration is planned to be reevaluated for the well. The well site is also large enough to add a reservoir and pump station. A transmission main will be required to move the water from the site and into the distribution system. An extension of the sanitary sewer will be evaluated for disposal of the treatment system's by-products rather than hauling these by-products to a land fill.

5. Well 12 – Do Nothing:

   There were plans to drill a new well near well 12 since it has no concentrations of arsenic, manganese, or Cr6. Based on the recent hydrogeological study, it was determined that Well 12's low specific capacity may be the reason that Well 12 does not require treatment and that a new higher capacity well will

require treatment. Because of this finding, the District is no longer planning to drill a new well near Well 12 and will continue to use Well 12 to fill the L St ground reservoir.

Table 1. Estimated Improvement Costs

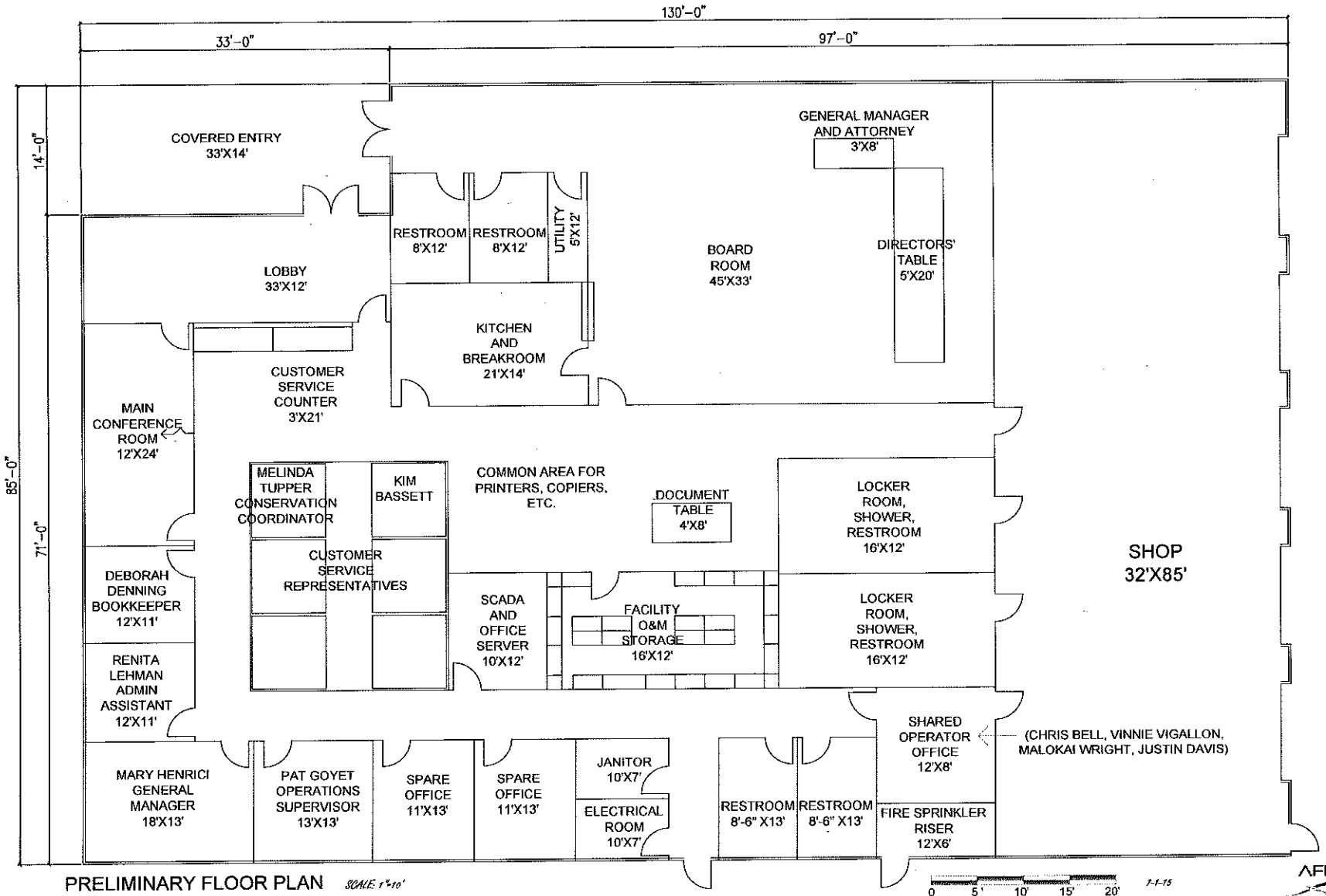
Improvement	Capacity (gpm)	Estimated Cost ($)
Well 15 – Modification (If possible)	2,800	200,000
Well 15 – Blending (If possible)	2,800	1,000,000
Well 15 – Cr6 Treatment	2,800	2,000,000
Well 16 – Replacement	1,500	3,025,000
Well 17 – Replacement	1,500	3,025,000
Well 2A – Cr6 Treatment	700	500,000
Well 10 – Cr6 Treatment	900	600,000
Well 14 – Arsenic/Manganese Treatment, Reservoir, Boosters	2,000	7,000,000
Well 12 -Do nothing	300	-0-

Table ES-1

Rio Linda/Elverta Community Water District
5 Year Capital Improvement Program

	Improvement Description	FY15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
	Water Supply					
1	Well 10 - Cr6 Treatment	$700,000				
2	Well 2A - Cr6 Treatment		$500,000			
3	Well 15 - Cr6 Treatment		$2,000,000			
4	Well 16 - Replacement Well (Wells 4 and 6)			$3,025,000		
5	Well 17 - Replacement Well (Wells 8 and 11)				$3,025,000	
6	L Street - Storm Drain Extension	$50,000				
7	SSWD Interconnecton - Extend SCADA to Interconnection					$10,000
	Subtotal Water Supply Improvements	**$750,000**	**$2,500,000**	**$3,025,000**	**$3,025,000**	**$10,000**
	Distribution Improvements					
8	150 ft of 6"PVC in Adele Court	$20,000				
9	100 ft of 8"DI in Paladin Way	$20,000				
10	200 ft of 8"DI in 5th/Montague	$30,000				
11	Abandon 4,850 ft of 4"AC in Oak Lan, 10th Ave and Q St., 90 New Services				$300,000	
12	1,800 ft of 12"DI to Loop 14th St and U St					$360,000
13	1,400 ft of 12"DI in Dry Creek Rd, North of Elkhorn Blvd, Bridge Crossing					$400,000
14	500 ft of 12"DI in Curved Bridge Road, Abandon 4"AC, Relocate 3 Services					$150,000
	Subtotal (Distribution Improvements)	**$70,000**	**$0**	**$0**	**$300,000**	**$910,000**
	Subtotal (Water Supply Improvements)	**$750,000**	**$2,500,000**	**$3,025,000**	**$3,025,000**	**$10,000**
	Total CIP Improvements	**$820,000**	**$2,500,000**	**$3,025,000**	**$3,325,000**	**$920,000**

Notes:
1 All estimates are based on 2015. No inflation adjustments have been included.



PRELIMINARY FLOOR PLAN SCALE 1"=10'

0 5' 10' 15' 20'

7-1-15

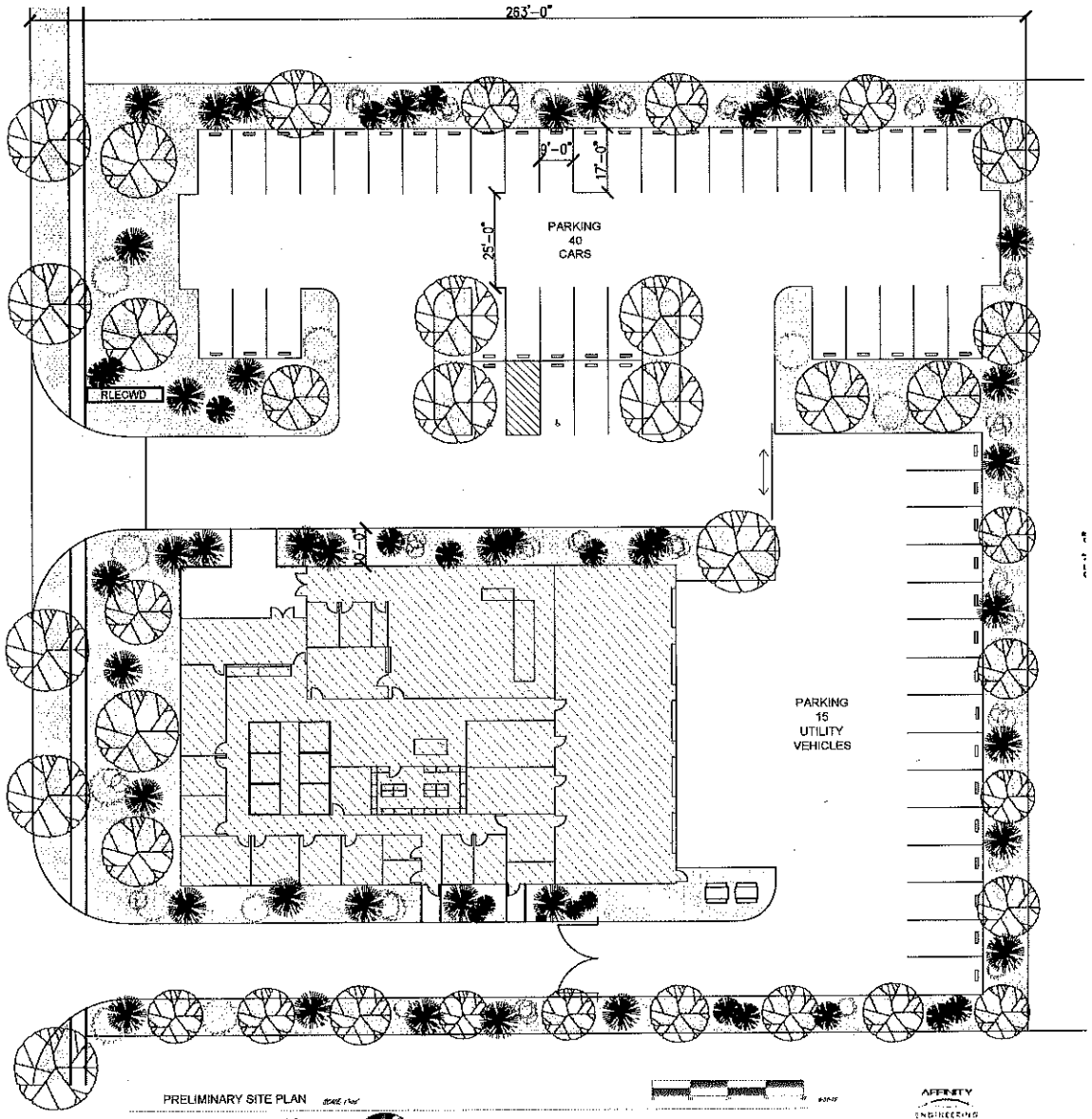
DISTRICT OFFICE

Rio Linda Elverta Community Water District

OFFICE SPACE	6,383 SF.
BOARD ROOM	1,485 SF.
SHOP SPACE	2,720 SF.
COVERED ENTRY	462 SF.
TOTAL	11,050 SF.

AFFINITY ENGINEERING

Two Rivers



PRELIMINARY SITE PLAN

DISTRICT OFFICE

Rio Linda Elverta
Community Water District

AFFINITY ENGINEERING

Rio Linda/Elverta Community Water District
Capital Budget Progress Report
Prepared by Jim Carson, Affinity Engineering

2014/15 Capital Budget

Updated for Planning Committee Meeting to be held: **July 6, 2015**

Budget Item	Description	Engineering				Construction				Notes
		Progress	Completion	On Schedule?	Revised Completion	Progress	Completion	On Schedule?	Revised Completion	
A-1	Well 15A - Blending Well Study - HC Mitigation	80%	3/1/2015	No	unknown	n/a	n/a	n/a	n/a	Well 15 Suction Pipe Extension was completed and the concentration of hexavalent chromium was reduced to 11 ppb. We are looking at another well modification to seal off the upper perforation. This would include looking at the production impact on the well as well as if the level of hexavalent chromium could be reduced further.
A-2	L Street - Well 12 Replacement Design - HC Mitigation	60%	10/31/2014	No	7/1/15 See Notes	n/a	n/a	n/a	n/a	Working on the design of upgrading the offsite storm drain which was initially part of the Well 12A well. Due to Cr6 issues in the area, a new well will not be design at L St. The storm drain line was re-potholed and a new alignment is being designed.
A-3	Well 2A - Remove Hydropneumatic Tank	100%	8/8/2014	Yes	n/a	100%	10/17/2014	No	10/31/2014	Project is complete
A-4	Well 3 - Plant Upgrades	100%	8/8/2014	Yes	10/31/2015	90%	11/7/2014	No	2/1/2014	Project is complete
B-1	2,800 ft of 12-inch DI Pipe in Rio Linda Blvd North of Elverta Rd	95%	7/30/2014	No	11/3/2014	0%	1/30/2015	No	7/1/2015	Pipeline tie-ins are being scheduled next week to be completed.
B-2	1,200 ft of 12-inch DI Pipe in Front St N/W of Q St	95%	7/30/2014	No	11/3/2014	0%	11/14/2014	No	7/1/2015	Project is being disinfected and pressure tested.
B-3	150 ft of 6-inch PVC in Adele Ct	95%	7/18/2014	No	11/3/2014	0%	8/29/2014	No	n/a	Bids are being recommended to be rejected due to being so high relative to what is budgeted. The project will be bid with the two other pipeline projects that are budget for 2015/16.
M-6	District Office Upgrades	0%	5/1/2015	No	6/1/2015	n/a	n/a	n/a	n/a	Updated office layout was presented to the Planning Committee for their review.
2013 SRF-1	L Street Reservoir and Pump Station	100%	1/13/2014	Yes	n/a	100%	11/1/2014	No	1/31/2015	Project is complete

Items for Discussion and Action
Agenda Item: 4.1a

Date: July 20, 2015

Subject: RWA Grant application

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

There is no committee recommendation on this item.

Current Background and Justification:

The Regional Water Authority (RWA) is applying for $400,000 in Prop 84 grant funds for our agency to be used for a water treatment facility. They are also applying for $39,000 to pay for the software portion of our AMI system. These grant funds require a grant application which would cost the District an amount not to exceed $10,000.00 staff is requesting the authorization to provide the money for the grant application in order to apply for the funds.

The RWA has an excellent track history with obtaining funds for the region. The agency has received the majority of the money available to the region over the past 4 years. Please note that applying for the funds is not a guarantee that the funds will be received. It is estimated that funding will be determined early next year with funds being made available next summer.

Conclusion:

Staff recommends that the money be authorized to proceed with the grant application. Spending $10,000 for a potential receipt of $439,000 is a good investment.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.1.a

Date

Initial Potential Meeting Date 7/20/15

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

RWA Grant Application

7/16/15

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 N/A

Review by appropriate Finance/Administration, Projects /Planning 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 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

Items for Discussion and Action
Agenda Item: 4.2

Date: July 20, 2015

Subject: State Budget and Trailer Bills

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

This item was not reviewed by committee. Discussion item.

Current Background and Justification:

The information include is on the trailer bills that were passed and included in the State's final budget.

Conclusion:

This information has been passed on to the Board to keep you informed of current law changes that could effect the District in the future.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____Green:_____Ridilla:_____ Anderson:_____Harris:_____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.2

Date

Initial Potential Meeting Date 7/20/15

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

State Budget and Trailer Bills

6/8/15

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 N/A

Review by appropriate Finance/Administration, Projects /Planning 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 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

P.O. BOX 400 • 730 L STREET
RIO LINDA, CALIFORNIA 95673
Phone: (916) 991-1000 • Fax: (916) 991-6616
www.rlecwd.com

June 8, 2015

The Honorable Assembly Member Mc Carty
P.O. Box 942849
Sacramento, CA 94249

RE: WATER SYSTEM CONSOLIDATION BUDGET TRAILER BILL LANGUAGE -- OPPOSE

Dear Assembly Member Mc Carty,

On behalf of the Rio Linda/Elverta Community Water District I am writing to express our strong opposition to budget trailer bill language that would give the State Water Resources Control Board authority to mandate consolidations of public water systems in California.

Though these broad powers ostensibly are intended to address drought impacts, the language is overly broad and contains no direct link to the drought. In addition, there is no sunset provision for granting these powers to the State Water Resources Control Board, an agency with no practical local government experience or expertise in the area of consolidations.

The Local Agency Formation Commission (LAFCO) is in charge of determining if local agencies should be consolidated. This determination is based on many factors such as Board governance, financial viability and competent management. The State Board would be usurping the powers of LAFCO.
Consolidating Districts based on a drought which is a temporary situation is removing local control over a District's water supply without cause.

Forced consolidations are not immediate fixes to the current drought emergency. Giving the State Water Resources Control Board broad authority to mandate consolidations could lead to significant unintended consequences. Current law provides for more effective solutions to remedy threats to health and safety during the actual drought. Voluntary, mutual assistance efforts could be utilized for immediate drought assistance in impacted communities.

Since the State Water Resources Control Board has numerous other responsibilities – including implementing emergency conservation regulations – it makes little policy sense to add mandatory consolidation of water systems to the board's regulatory "to do" list.

As an agency that delivers water to our local area, we are surprised that the state would choose to undertake this significant public policy shift through the budget trailer bill process without adequate

DIRECTORS:
Duane Anderson, President
John Ridilla, Vice President
Brent Dills, Director
Paul Green, Director
Mary Harris, Director

General Manager / Secretary:
Mary Henrici
MHenrici@rlecwd.com

public input or review, especially at a time when local water agencies are fully engaged in addressing the ongoing drought crisis.

We join other water agencies across the state in opposing this proposal that would grant unwarranted, broad authority to the State Water Resources Control Board to consolidate water systems.

Please vote "NO" on this language when it reaches the floor for a vote before the June 15 deadline.

Sincerely,

Mary Henrici
General Manager
Rio Linda/ Elverta CWD

RWA Trailer Bill Summary

TB 807 – State Water Board Drinking Water Program Fees - Oppose

This bill would radically change the existing financial model for the drinking water program from one primarily based on fee-for-service to one based entirely on fees assessed according to State Board emergency regulations intended to fund whatever budget the State Board is able to get the Legislature to approve. This is the model that the State Board has used for over 10 years to fund the Division of Water Rights, which has led to increasing fees. Moreover, the validity of that model is legally questionable because the State Board's water-right fees have been held to be illegal (subject to a pending appeal). The water-right fee program has been in continuous litigation since it was adopted.

ACWA is opposing this bill and has developed a model fee program/process that would adequately fund the Drinking Water Program. ACWA is asking that this issue be held open until the fall for further discussion.

TB 824 – Monitoring and Reporting – Oppose

This bill applies to reservoir operators and requires detailed measurements of diversions, inflows, and releases that must be done to the satisfaction of the State Board. It is another step towards making emergency measures taken during the drought permanent tools for the State Board. The detailed level of metering and measurements proposed by this bill may not even be possible to collect yet the bill provides the State Board with total discretion to decide whether alternative requirements would apply. The bill also removes from existing code the ability for a person to demonstrate to the board that a particular technology or practice is not locally cost effective. NCWA is very active on opposing this bill. I recommend we oppose it but let them do the heavy lifting.

TB 825 – Drought Water System Consolidation – Oppose

California Special Districts Association is actively working with the Governor's Office and the State Board on this bill. CSDA is strongly urging the Governor to tackle the complex issues of consolidation through the deliberate, legislative process instead of the budget process. While doing so, they are also providing detailed feedback and recommendations for approaches to consolidation that recognize the complexities and concerns associated with consolidations of failing water systems.

I recommend we oppose the trailer bill and advocate for the deliberate process recommended by CSDA. ACWA is also putting together an opposition coalition to fight this and working with CSDA and CMUA.

(Over)

California Special Districts Association
CSDA *Districts Stronger Together*

June 18, 2015

The Honorable Mark Leno
Chair, Senate Budget and Fiscal Review Committee
State Capitol Building
Sacramento, CA 95814

RE: AB 115 and SB 88 (Water System Consolidation) – OPPOSE

Dear Senator Leno:

AB 115 and SB 88 would grant the State unprecedented unilateral power to take ownership and operation of a water system from one entity and force it upon another. CSDA appreciates the goal of this legislation to find solutions to failing water systems and stands prepared to work constructively with stakeholders toward that end. Regrettably, AB 115 and SB 88 are not the solution, and we must oppose.

Existing law in this area, under Cortese-Knox-Hertzberg, has taken decades to develop. Yet this legislation seeks to subvert that law in a matter of weeks, and without substantive analysis or public testimony. Our concerns include, but are not limited to:

- **Expansive Authority Goes Far Beyond Stated Needs.** Proponents claim the bill is needed for a narrow set of egregious examples and the bill says a water system must "consistently fail" to provide safe water before the State can act. However, the bill redefines the term "consistently fails" to merely mean "*a failure*". In doing so, the language grants wide-ranging power to the State and could subject virtually any water system in California to consolidation. What if a system fails momentarily or shuts down for one day or one hour?
- **Eliminates Right to Vote.** Under existing law, Local Agency Formation Commissions (LAFCOs) provide an open and public process for consolidation proceedings that includes an objective analysis. Following a thorough review, the residents who receive the local services have the right to protest and ultimately vote on the decision. This legislation subverts that local process and empowers the State Water Board to direct where people must get their water from and place people under a new local government—all without the people's consent.
- **Imposes Long-Term Costs with No Funding Guarantee.** While the bill *allows* for State funding of certain up-front costs associated with consolidation, it offers *no requirement* that the State fund all associated costs. This could lead to enormous new unfunded state mandates on local agencies. Propositions 13, 26 and 218 will constrain local agencies from raising the revenues necessary to meet these inevitable costs. This will be compounded by the fact that voters will be reluctant to approve higher fees and taxes for a consolidated agency forced upon residents without their consent.
- **Real Solutions Exist.** Whether it is through LAFCOs via Government Code Section 56133, receivership via Health and Safety Code Section 116665, Integrated Regional Water Management Plans or other tools, real solutions exist. Stakeholders with local expertise would like to build off of these workable solutions.

California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
www.csda.net

A proud California Special Districts Alliance partner

Special District Risk Management Authority
1112 I Street, Suite 300
Sacramento, CA 95814
toll-free: 800.537.7790
f: 916.231.4111

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
f: 916.442.7889

Consolidation of essential local services, such as water systems, is a highly complex endeavor with a multitude of long-lasting health, fiscal and legal consequences. Ill-conceived alterations to this area of law could exacerbate, rather than resolve, the plight of communities. Therefore, we respectfully request you reject AB 115 and SB 88.

Sincerely,

Kyle Packham
Advocacy & Public Affairs Director

CC: The Honorable Edmund G. Brown Jr., Governor
The Honorable Members, Senate Budget and Fiscal Review Committee
Martha Guzman-Aceves, Deputy Legislative Secretary, Office of Governor Brown
Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee
Catherine Freeman, Consultant, Senate Budget and Fiscal Review Committee
Rocel Bettencourt, Senate Republican Consultant

News

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- News Releases
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Relevant Content

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ACWA Seeks Legislative Proposals for Second Half of 2015-'16 Session

ACWA-Opposed Budget Trailer Bill Could be Taken Up Friday

ACWA and Others Formally Ask to Depublish Capistrano Case

Legislature Sends Budget to Governor; ACWA-Opposed Trailer Bills Could Be Taken Up Later this Week

Coalition Continues to Oppose Trailer Bill Proposal on Drinking Water Program Fees

Coalition Opposes Trailer Bill Proposal on Drinking Water Program Fees

ACWA-Led Coalition Opposes Trailer Bill Language on Mandatory Public Water System Consolidations

ACWA Region Elections Open for 2016-'17 Term

ACWA's 2015 Spring Conference & Exhibition Kicks Off

ACWA Regions 5 and 6 Seek Candidates for Region Boards

mhenrici@rlecwd.com

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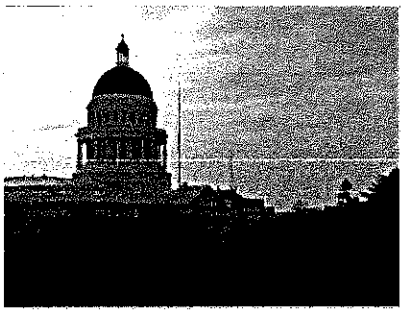
Legislature Passes Final Budget, Trailer Bill on Consolidations

Submitted by Lisa Lien-Mager on Mon, 06/22/2015 - 10:32am in State Budget, Fees State Legislation Water News



The Legislature approved a drought-related budget trailer bill Friday that includes ACWA-opposed language that would authorize the State Water Resources Control Board to mandate consolidation of public water systems.

The trailer bill, which cleared the Assembly and Senate on party-line votes, also included provisions related to CEQA exemptions for water recycling and groundwater replenishments projects, measuring and reporting of water diversions, local drought penalties and enforcement authorities, and appropriation of some Proposition 1 funding for water use efficiency upgrades.

Though the consolidation language had been narrowed in scope by the time it appeared in print on Thursday, June 18, as AB 115 / SB 88, ACWA remained opposed along with a coalition of statewide local government organizations. ACWA members sent nearly 150 letters of opposition and made numerous phone calls to Senate and Assembly members and their staffs on the trailer bill by Friday's floor votes, while ACWA and coalition members testified against the language at a five-hour hearing before the Senate Budget Committee on Thursday evening.

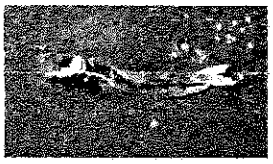
Action on the trailer bill came after the Legislature approved a final 2015-'16 state budget bill Friday morning that reflected an agreement reached with Gov. Jerry Brown earlier in the week.

It also approved revised trailer bill language related to drinking water fees as part of an omnibus resources trailer bill known as AB 110 / SB 83. The language keeps the existing drinking water fee structure in place for one year and creates stakeholder process to provide input on proposed changes moving forward. It also requires the State Water Resources Control Board to adopt the first round of changes through the regulatory process instead of by emergency regulation as previously proposed.

Details on Consolidation Language

The final language allows the State Water Board to order public water system consolidations or extensions of service when a system serving a disadvantaged unincorporated community "consistently fails to provide an adequate supply of safe drinking water." According to a fact sheet, the State Water Board would have to take several steps before ordering a consolidation or extension of service, including notifying the affected systems, consulting with the relevant local agency formation commission (LAFCO), and allowing time to negotiate another means of providing an adequate supply of safe drinking water.

Latest Water News



House Republicans Introduce Drought Bill

Local Water Agencies' Drought-Busting Efforts Featured on New ACWA Web Portal

State Board Workshop Highlights Impacts of Revised Temperature Control Plan for Salmon

ACWA Drought Response Toolkit Now Available

MORE WATER NEWS »

ACWA eNews

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User:
mhenrici@rlecwd.com

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The State Water Board also would have to provide technical assistance and work with the affected systems to develop a financing package that benefits both systems, and hold at least one public hearing as close as feasible to the affected areas.

Next Steps

The governor has until June 30 to sign the budget trailer bills and the main budget bill before the July 1 start of the next fiscal year.

CALIFORNIA'S WATER

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Web site design and development by SymSoft Solutions

Items for Discussion and Action
Agenda Item: 4.3

Date: July 20, 2015

Subject: Censure Policy Resolution 2015-02

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends the Board approve Resolution 2015-02.

Current Background and Justification:

Upon review of the Policy Manual it was advised by legal to update the District's current Censure Policy originally Board approved by Resolution 2007-02. The District's current censure policy was considered too vague and is not consistent with current case law.

Conclusion:

Staff and the Finance & Administrative Committee recommends approval of the resolution to update the Censure Policy.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____Green:_____Ridilla:_____ Anderson:_____Harris:_____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date 7/20/15

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

Censure Policy and Resolution 2015-02

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review 6/11/15

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

GM Review 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

Rio Linda/Elverta Community Water District
Resolution No. 2015-02
Revising the Censure Procedure to Chapter 2.01 of the Policy Manual Regarding Director Conduct

Whereas, at its meeting of February 26, 2007, the Rio Linda Elverta Community Water District Board of Directors directed the General Counsel to prepare a censure policy to be added to the District's Policy Manual.

Whereas, the Rio Linda/Elverta Community Water District Board took formal action to adopt a Censure Procedure by adopting Resolution No. 2007-02 "Censure Procedure to Chapter 2.01 of the Policy Manual Regarding Director Conduct" which was incorporated into Section 2.01.400 "Compliance and Enforcement" of Chapter 2.01 of the District Policy Manual.

Whereas, during the June 2015 review of the policy manual it was determined that the policy needed to be revised to ensure that the Rio Linda/Elverta Community District Board has procedures and remedies available to implement its censure policy.

Whereas, in order to ensure that the District's censure policy, as adopted by resolution, is consistent with the proposed policy manual, the Board of Directors must take formal action to revise the policy.

Now, Therefore be it Resolved by the Rio Linda/Elverta Community Water District Board of Directors that:

1. The Rio Linda/Elverta Community Water District Board hereby approves and adopts the amended Censure Procedure, which is attached hereto as **Exhibit A** and incorporated herein by this reference.

2. Resolution No. 2007-02 "Censure Procedure to Chapter 2.01 of the Policy Manual Regarding Director Conduct" is hereby repealed and replaced by this Resolution 2015-02.

3. The revised Censure Procedure, as set forth in Exhibit A shall replace the existing Section 2.01.400 "Compliance and Enforcement" of Chapter 2.01 of the District Policy Manual.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT ON THE _____ DAY OF _____, 2015, BY THE FOLLOWING VOTE:

Ayes:

Noes:

Absent:

_____
Duane Anderson, Board President

Attest:

_____
Mary Henrici, Board Secretary

EXHIBIT A

2.01.400 COMPLIANCE AND ENFORCEMENT

2.01.405 Purpose. The purpose of this policy is to establish a process for enforcement of the duties and standards of conduct for District Directors as set forth in this Chapter 2.01. Directors themselves have the primary responsibility to assure that these duties and standards of conduct are understood and met, and that the public can continue to have full confidence in the integrity of local government.

2.01.410 Responsibility to Intervene. The chairs of committees, the Board President and all Board and committee members have the additional responsibility to intervene when actions of Directors that appear to be in violation of this Chapter are brought to their attention.

2.01.415 Grounds for Disciplinary Action. The failure of a Director to comply with the provisions of this Chapter or Chapter 2.30 shall constitute grounds for disciplinary action against him/her. Any Director may submit a request to consider disciplinary action of another Director or Directors. The request should contain specific allegations of conduct that, if true, violate this Chapter or any other portion of the Policy Manual.

2.01.420 Disciplinary Actions. The Board may impose the following disciplinary actions on a Director found to have violated the Policy Manual, depending upon the severity or frequency of the violation:

1. Admonishment. An admonishment is appropriate for allegations of a violation of law or District policy. An admonishment serves as a formal reminder of the rules and is not disciplinary in nature.

2. Reprimand. A reprimand is appropriate when the council finds that a Board member has committed misconduct but determines that the misconduct does not rise to the level of requiring censure.

3. A censure is a formal resolution to reprimand an individual for misconduct and is a disciplinary action.

2.01.425 Notice. Notice and the request shall be served upon the accused Director or Directors through personal service or certified mail, unless the Director accepts an alternative method of service, at least ten (10) days before the Board meeting where the request will be evaluated. Such notice shall be prepared by District staff and reviewed by legal counsel. The notice will include the time, place, and date of the meeting, as well as state the Director's right to submit oral or written evidence.

2.01.430 Participation of Director who is Subject to Disciplinary Action. A Director who is the subject of an alleged violation will have the opportunity to respond to the accusations at the hearing. However, an accused Director shall be ineligible to vote on any matter related to a disciplinary action including, but not limited to, agendizing the hearing and adopting a Resolution of Censure.

2.01.435 Opportunity to be Heard. At the disciplinary action hearing, the Director shall have an opportunity to be heard concerning the allegations. The Director may submit a written response to the allegations in addition to, or in lieu of, speaking at the disciplinary action hearing if he/she so chooses. The hearing may be continued from time to time at the discretion of the Board.

2.01.440 Resolution of Censure. If, at the close of the disciplinary action hearing, the Board finds that the Director's conduct does not comply with the District's standards, the Board may direct staff to prepare a resolution of censure which may include the imposition of sanctions against the Director as a majority of the Board deems appropriate. Such sanctions may include removal from a committee and restrictions on District-related travel privileges. At the next Board meeting, the Board may consider and adopt the Resolution of Censure including any sanctions imposed by the Board.

2.01.445 Alternative Discipline. If the Board finds that a Director or Directors has violated the Policy Manual, but the violation does not rise to the level requiring formal censure, the Board may impose an admonishment or reprimand.

2.01.450 No Basis for Challenging a Board Decision. A violation of this Chapter shall not be considered a basis for challenging the validity of a Board decision.

2.01.455 Conflicts. In the event that a majority of the Board is unable to vote at a disciplinary hearing due to a conflict of interest, the General Manager may appoint an ad hoc committee of nonbiased members of the community to conduct an investigation and present a formal report to the Board during a regular open session meeting.

Rio Linda/Elverta Community Water District
Resolution No. 2015-02
Revising the Censure Procedure to Chapter 2.01 of the Policy Manual Regarding Director Conduct

Whereas, at its meeting of February 26, 2007, the Rio Linda Elverta Community Water District Board of Directors directed the General Counsel to prepare a censure policy to be added to the District's Policy Manual.

Whereas, the Rio Linda/Elverta Community Water District Board took formal action to adopt a Censure Procedure by adopting Resolution No. 2007-02 "Censure Procedure to Chapter 2.01 of the Policy Manual Regarding Director Conduct" which was incorporated into Section 2.01.400 "Compliance and Enforcement" of Chapter 2.01 of the District Policy Manual.

Whereas, during the June 2015 review of the policy manual it was determined that the policy needed to be revised ~~due to changes in the law~~to ensure that the Rio Linda/Elverta Community District Board has procedures and remedies available to implement its censure policy.

Whereas, in order to ensure that the District's censure policy, as adopted by resolution, ~~corresponds~~is consistent with the proposed policy manual, the Board of Directors must take formal action to revise the policy.

Now, Therefore be it Resolved by the Rio Linda/Elverta Community Water District Board of Directors that:

1. The Rio Linda/Elverta Community Water District Board hereby approves and adopts the amended Censure Procedure, which is attached hereto as **Exhibit A** and incorporated herein by this reference.
2. Resolution No. 2007-02 "Censure Procedure to Chapter 2.01 of the Policy Manual Regarding Director Conduct" is hereby repealed and replaced by this Resolution 2015-02.
3. The revised Censure Procedure, as set forth in Exhibit A shall replace the existing Section 2.01.400 "Compliance and Enforcement" ~~be revised and added to~~of Chapter 2.01 of the District Policy Manual. ~~to read, in its entirety, as follows:~~

PASSED AND ADOPTED AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT ON THE DAY OF , 2015, BY THE FOLLOWING VOTE:

Ayes:

Noes:

Absent:

Duane Anderson, Board President

Attest:

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Mary Henrici, Board Secretary

EXHIBIT A

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2.01.400 COMPLIANCE AND ENFORCEMENT

2.01.405 Purpose. The purpose of this policy is to establish a process for enforcement of the duties and standards of conduct for District Directors as set forth in this Chapter 2.01. Directors themselves have the primary responsibility to assure that these duties and standards of conduct are understood and met, and that the public can continue to have full confidence in the integrity of local government.

2.01.410 Responsibility to Intervene. The chairs of committees, the Board President and all Board and committee members have the additional responsibility to intervene when actions of Directors that appear to be in violation of this Chapter are brought to their attention.

2.01.415 Grounds for Disciplinary Action. The failure of a Director to comply with the provisions of this Chapter or Chapter 2.30 shall constitute grounds for disciplinary action against him/her. Any Director may submit a request to consider disciplinary action of another Director or Directors. The request should contain specific allegations of conduct that, if true, violate this Chapter or any other portion of the Policy Manual.

2.01.~~415~~ 420 Disciplinary Actions. The Board may impose the following disciplinary actions on a Director found to have violated the Policy Manual, depending upon the severity or frequency of the violation:

1. Admonishment. An admonishment is appropriate for allegations of a violation of law or city policy. An admonishment serves as a formal reminder of the rules and is not disciplinary in nature.

2. Reprimand. A reprimand is appropriate when the council finds that a councilmember has committed misconduct but determines that the misconduct does not rise to the level of requiring censure.

3. A censure is a formal resolution to reprimand an individual for misconduct and is a disciplinary action.

2.01.~~420~~ 425 Notice. Notice and the request shall be served upon the accused Director or Directors through personal service or certified mail, unless the Director accepts an alternative method of service, at least ten (10) days before the Board meeting where the request will be evaluated. Such notice shall be prepared by District staff and reviewed by legal counsel. The notice will include the time, place, and date of the meeting, as well as state the Director's right to submit oral or written evidence.

2.01.~~425~~ 430 Participation of Director who is Subject to Disciplinary Action. A Director who is the subject of an alleged violation will have the opportunity to respond to the accusations at the hearing. However, an accused Director shall be ineligible to vote on any matter related to a

disciplinary action including, but not limited to, agendizing the hearing and adopting a Resolution of Censure.

2.01.~~430~~ 435 Opportunity to be Heard. At the disciplinary action hearing, the Director shall have an opportunity to be heard concerning the allegations. The Director may submit a written response to the allegations in addition to, or in lieu of, speaking at the disciplinary action hearing if he/she so chooses. The hearing may be continued from time to time at the discretion of the Board.

2.01.~~435~~ 440 Resolution of Censure. If, at the close of the disciplinary action hearing, the Board finds that the Director's conduct does not comply with the District's standards, the Board may direct staff to prepare a resolution of censure which may include the imposition of sanctions against the Director as a majority of the Board deems appropriate. Such sanctions may include removal from a committee and restrictions on District-related travel privileges. At the next Board meeting, the Board may consider and adopt the Resolution of Censure including any sanctions imposed by the Board.

2.01.~~440~~ 445 Alternative Discipline. If the Board finds that a Director or Directors has violated the Policy Manual, but the violation does not rise to the level requiring formal censure, the Board may impose an admonishment or reprimand.

2.01.~~445~~ 450 No Basis for Challenging a Board Decision. A violation of this Chapter shall not be considered a basis for challenging the validity of a Board decision.

2.01.~~450~~ 455 Conflicts. In the event that a majority of the Board is unable to vote at a disciplinary hearing due to a conflict of interest, the General Manager may appoint an ad hoc committee of nonbiased members of the community to conduct an investigation and present a formal report to the Board during a regular open session meeting.

~~**Be it Further Resolved** that this policy shall take effect on _____, 2015.~~

~~Introduced and Adopted this ____ day of _____, 2015 by the following vote:~~

~~Ayes:~~

~~Noes:~~

~~Absent:~~

~~Duane Anderson~~
~~Board President~~

~~Attest:~~

~~Mary Henrici, Board Secretary~~

Items for Discussion and Action
Agenda Item: 4.4

Date: July 20, 2015

Subject: Records Retention Policy Resolution 2015-03

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends the Board approve Resolution 2015-03.

Current Background and Justification:

Upon review of the Policy Manual it was advised by legal to update the District's current Records Retention Policy originally Board approved by Resolution 2002-09.

Conclusion:

Staff and the Finance & Administrative Committee recommends approval of the resolution to update Records Retention Policy.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date 7/20/15

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

Records Retention Policy Resolution 2015-03

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review 7/2/15

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

GM Review 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

Rio Linda/Elverta Community Water District
Resolution 2015-03
Revising the Records Retention Policy in Chapter 3.15 of the Policy Manual

Whereas, at its meeting of September 16, 2002 the Rio Linda/Elverta Community Water District Board of Directors took formal action by adopting Resolution 2002-09 Establishing a District Policy for Records Retention.

Whereas, The Board of Directors incorporated this policy into its Policy Manual under Title 3 – FINANCE Chapter 3.15 Records Retention Policy.

Whereas, during the June 2015 review of the Policy Manual it was determined that the policy needed to be revised to ensure that the Rio Linda/Elverta Community Water District has current and consistent procedures in place regarding the retention of records.

Whereas, in order to ensure that the District's records retention policy, as adopted by resolution, is consistent with the proposed updated Policy Manual, the Board of Directors must take formal action to revise the policy.

Now, Therefore be it Resolved by the Rio Linda/Elverta Community Water District Board of Directors that:

1. The Rio Linda/Elverta Community Water District Board hereby approves and adopts the amended Records Retention Policy, which is attached hereto as **Exhibit A** and incorporated herein by this reference.

2. Resolution 2002-09 "Establishing District Policy for Records Retention" is hereby repealed and replaced by this Resolution 2015-03.

3. The revised records retention policy, as set forth in Exhibit A shall replace the existing Records Retention Policy in Chapter 3.15 of the District Policy Manual.

PASSED AND ADOPTED AT THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT ON THE 20TH DAY OF JULY, 2015, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

_____

Duane Anderson, President

_____

Mary Henrici, Board Secretary

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Rio Linda/Elverta Community Water District
Resolution 2015-03
Revising the Records Retention Policy in Chapter 3.15 of the Policy Manual

Whereas, at its meeting of September 16, 2002 the Rio Linda/Elverta Community Water District Board of Directors took formal action by adopting Resolution 2002-09 Establishing a District Policy for Records Retention.

Whereas, The Board of Directors incorporated this policy into its Policy ~~manual~~ Manual under Title 3 – FINANCE Chapter 3.15 Records Retention Policy.

Whereas, during the June 2015 review of the ~~policy~~ Policy ~~manual~~ Manual it was determined that the policy needed to be revised to ensure that the Rio Linda/Elverta Community Water District has current and consistent procedures in place ~~in~~ regarding the retention of records.

Whereas, in order to ensure that the District's records retention policy, as adopted by resolution, is consistent with the proposed updated ~~policy~~ Policy ~~manual~~Manual, the Board of Directors must take formal action to revise the policy.

Now, Therefore be it Resolved by the Rio Linda/Elverta Community Water District Board of Directors that:

1. The Rio Linda/Elverta Community Water District Board hereby approves and adopts the amended Records Retention Policy, which is attached hereto as **Exhibit A** and incorporated herein by this reference.

2. Resolution 2002-09 "Establishing District Policy for Records Retention" is hereby repealed and replaced by this Resolution 2015-03.

3. The revised records retention policy, as set forth in Exhibit A shall replace the existing Records Retention Policy in Chapter 3.15 of the District Policy ~~manual~~Manual.

PASSED AND ADOPTED AT THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT ON THE 20TH DAY OF JULY, 2015, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

_____

Duane Anderson, President

_____

Mary Henrici, Board Secretary

EXHIBIT A

3.15 RECORDS RETENTION POLICY

Sections:

3.15.100 Purpose
3.15.200 Description of Vital Records
3.15.300 Record Destruction Authority
3.15.400 Qualifications for Retention and Disposal of Records
3.15.500 Minutes
3.15.600 Definitions for Records Retention and Disposal Policy
3.15.700 Vital Records

3.15.100 Purpose. The purpose of this policy is to: provide guidelines to staff regarding the retention or disposal of Rio Linda/Elverta Community Water District records; provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

3.15.200 Description of Vital Records. Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

3.15.300 Record Destruction Authority. The General Manager is authorized by the Board to interpret and implement this policy, authorize the transfer of records to the records center and to cause to be destroyed any or all such records, papers, and documents that meet the qualifications governing the retention and disposal of records specified herein.

3.15.400 Qualifications for Retention and Disposal of Records. Pursuant to the provisions of California Government Code §§60200 through 60203, California Water Code §21403, and the guidelines prepared by the State Controller's office and the Controller's Advisory Committee for Special Districts, the following qualifications will govern the retention and disposal of records of the Rio Linda/Elverta Community Water District.

3.15.410 Duplicate Records. Duplicate records, papers and documents may be destroyed at any time without the necessity of Board authorization or copying to photographic or electronic media.

3.15.420 Uncategorized Records. Originals of records, papers and documents more than two years old that were prepared or received in any manner other than pursuant to State or Federal statute may be destroyed without the necessity of copying to photographic or electronic media, unless a longer retention period is specifically provided.

3.15.430 Documents in Use. In no instances are records, papers or documents to be destroyed where there is a continuing need for such records for such matters as pending litigation, auditing purposes, project financing or regulatory agency reporting purposes.

3.15.440 Procedure for Destroying Records. Records, papers or documents that are not expressly required by law to be filed and preserved, but required under this policy to be kept, may be destroyed if all of the following conditions are met:

3.15.441 The record, paper or document is photographed, micro photographed, reproduced on film of a type approved for permanent photographic records by the National Bureau of Standards, or copies are made to an approved electronic media;

3.15.442 The device used to reproduce such, record paper or document on film, or retrieves and prints the document from the electronic media, is one which accurately reproduces the original thereof in all details; and,

1. The photographs, microphotographs, or other reproductions on film are placed in conveniently accessible files and provisions are made for preserving and examining said documents.
2. Any accounting record, except journals and ledgers, that are more than three years old and which were prepared or received in any manner other than pursuant to State statute may be authorized for destruction, provided that:

(A) There is no continuing need for said record for pending litigation, auditing purposes, project financing or regulatory agency reporting and;
(B) There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;
(C) Said audit report or reports *were* prepared pursuant to procedures outlined in Government Code Section 26909 and other State or Federal audit requirements, and
(D) Said audit or audits contain the expression of an unqualified opinion.

3.15.460 Accounting Record. Any accounting record created for a specific event or action may be destroyed three years after said event has in all respects terminated. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction three years from the end of the fiscal period to which it applies.

The following may be destroyed at any time:

1. Duplicated Documents (original-subject to aforementioned requirements).
2. Rough drafts, notes or working papers.
3. Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

3.15.470 All payroll and personnel records shall be retained indefinitely. Originals for terminated employees may be destroyed after three years retention, provided said records have been preserved in accordance with Section 3.15.440 above. Payroll and personnel records shall include the following:

1. Accident reports, injury claims and settlements.
2. Medical histories.
3. Worker Compensation Records.
4. Applications, changes, and terminations of employees.
5. Insurance records of employees.
6. Time Sheets or cards.
7. W-2's and other IRS forms.
8. Performance evaluations.
9. Earning records and summaries.
10. Retirement documents.
11. Such other documents as determined by the General Manager to be retained.

3.15.480 District Property Appraisal Records. All District property appraisal records may be destroyed after three years retention provided such records do not have to be retained to satisfy other requirements established for financing or grant award purposes.

3.15.490 District Financing Records. Records authorizing long-term debt, bonds, warrants, loans, grants or other financing methods may be destroyed after issuance or execution, provided they are reproduced in accordance with Section 3.15.440 above. Terms and conditions of bonds, warrants, loans, grants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed after five years. Paid bonds, warrant certificates, and interest coupons may be destroyed after six months if detailed payment records are kept for five years.

3.15.500 Public Meetings. Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon specific Board authorization, be destroyed if said minutes are reproduced as provided for in Section 3.15.440 above. Recording tapes (or other media) of Board meetings will be kept for a period of three years from the date of the recorded meeting, after which they will be destroyed.

3.15.510 Construction Records. Construction records, such as bids, correspondence, change orders, contracts, certified payrolls, progress payment claims, claims for changed conditions and related construction documents shall be kept for three years after the Notice of Completion is approved and any warranty period has expired. Provided, however, such retention period shall not be less than the time periods required by any state or federal funding agency involved in the financing of any specific project. As-built plans for any public facility or works shall be retained as long as deemed necessary by the General Manager for the proper operation and maintenance of the system.

3.15.520 Contracts. Contracts should be retained for its life plus three years. Any unaccepted bid or proposal for the construction or installation of any building, structure or other public work that is more than two years old may be destroyed.

3.15.530 Property Records. Unless otherwise provided herein, property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

3.15.540 Confidentiality. Nothing in this policy shall be interpreted to make District records deemed confidential by state or federal statute, regulation, order or court adjudication available for public review.

3.15.600 DEFINITIONS FOR RECORDS RETENTION AND DISPOSAL

3.15.610 Authorization. Approval from the General Manager, as authorized under this policy by the District's Board of Directors.

3.15.620 Records (Financial, Accounting, Payroll, Personnel and Miscellaneous) including, but are not limited to the following:

1. SOURCE DOCUMENTS
   - A. Invoices
   - B. Warrants
   - C. Requisitions/Purchase Orders (attached to invoices)
   - D. Cash Receipts
   - E. Claims (attached to warrants in place invoices)
   - F. Bank Statements
   - G. Bank Deposits

H. Checks

I. Bills

J. Various accounting authorizations taken from Board minutes, resolutions or contracts

2. JOURNALS

A. Cash Receipts

B. Accounts Receivable or Payable Register

C. Check or Warrant (payables)

D. General Journal

E. Payroll Journal

F. Assets/Depreciation

3. LEDGERS

A. Expenditure

B. Revenue

C. Accounts Payable or Receivable Ledger

D. Construction

E. General Ledger

F. Assets/Depreciation

4. TRIAL BALANCE

5. STATEMENTS (Interim or Certified- Individual or All Fund)

A. Balance Sheet

B. Analysis of Changes in Available Fund Balance

C. Cash Receipts and Disbursements

D. Inventory of Fixed Assets (Purchasing)

6. JOURNAL ENTRIES (i.e. Master Ledger)

7. PAYROLL AND PERSONNEL RECORDS include but are not limited to the following:

A. Accident reports, injury claims and settlements

B. Applications, changes or terminations of employees

C. Earnings records and summaries, including 'vV-2 and other IRS forms

D. Fidelity Bonds

E. Garnishments

F. Insurance records of employees

G. Workers Compensation records

H. Medical Histories

I Retirements

J. Time Sheets or Cards

8. OTHER RECORDS

A. Inventory Records (Purchasing)

B. Capital Asset Records (Purchasing)

C. Depreciation Schedule

D. Cost Accounting Records

E. Board Meeting Minutes

F. Board Authorized Committee Meeting Minutes not retained by an outside agency

G. Tapes or other audio or video recordings of Board Meetings

H. Insurance Policies and Claims

3.15.630 Life. The term or operational or valid dates of a document.

3.15.640 Record. Any paper, bound book or booklet, card, photograph, drawing, chart, blueprint, map, tape, electronic media, microfilm, or other document, issued by or received by the District, and maintained and used as information in the conduct of its operations. A record shall not include notes, working papers, drafts not released for public review, or any other similar document.

3.15.650 Record copy. The official District copy of a document, record or file.

3.15.660 Record series. A group of records, generally filed together, and having the same reference and retention value.

3.15.670 Records Center. The site selected for storage of inactive records.

3.15.680 Records Disposal. The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.

3.15.690 Records Retention Schedule. The consolidated, approved schedule list of

District records provided in Section 3.15.700 that establishes a timetable for the life and disposal of records.

3.15.700 Vital Records. Records that because of the information they contain, are essential to one or all of the following:

1. The resumption and/or continuation of operations;

2. The re-creation of the legal and financial operations of the District in case of a disaster;

3. The fulfillment of obligations to bondholders, customers, and employees.

3.15.710 Examples of Vital Records. Vital records include but are not limited to the following:

(1) Contract and Agreements (Active)
(2) Annexations and Attachments
(3) As-built Drawings
(4) Audits
(5) Engineered Drawings and Standard Specifications
(6) Customer Billing Records (Current)
(7) Deeds, Easements, Right of Ways Property Records
(8) Depreciation Schedule
(9) District Insurance Records (Current)
(10) District Water Rights Permits, and Documents
(11) Employee Accident Reports, Claims, Settlements (Current Fiscal Year)
(12) Employee Earning Records
(13) Employee Fidelity Bonds
(14) Employee Insurance Records
(15) Water Service Permits (by others)
(16) Encroachment Permits
(17) Water Master Plan
(18) Improvement District Documents
(19) Environment Documents and Permits (Current)
(20) Current-year Budget
(21) Active Litigation Files
(22) Individual Claims/settlements (within 2 Years)
(23) Inventory
(24) Journal Vouchers
(25) Ledgers
(26) Licenses & Permits (to operate)
(27) Loans, Bonds and Grant Materials (active)
(28) System Maps
(29) Minutes of Board Meetings
(30) Payroll Register
(31) Policies, Rules & Regulations (Current)
(32) Purchase Orders & Requisitions (Current Fiscal Year)
(33) Restricted Materials Permits
(34) Employee Personnel Files
(35) Title to Vehicles and Equipment
(36) Security Plans
(37) Computer Backup Files
(38) Warrant Voucher Register
(39) Warrants (with backup)

3.15.720 Records Retention Schedule. The following retention schedule identifies the length of time a District record must be retained in active storage before it can be placed in permanent storage or destroyed. The retention period is the period of time during which records must be kept before final disposition into permanent storage or destruction. The column for retention period includes a coded abbreviation and a number. The coded abbreviation represents the triggering event that commences the retention period. The number represents the number of years (unless otherwise noted) that the District must keep the record. The retention schedule provides a time period that each record must be kept in active storage in District facility and a time period that the original record must be kept in archived storage.

The coded abbreviations are as follows:

A = Active	AD = Adoption
AU = Audit	CL = Closed/Completion
CU = Current Year	DOB = Date of Birth
E = Election	L = Life
P = Permanent	T = Date of Termination
S= Record is Superseded	

The following is the District's retention schedule:

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
FINANCE		
Accounting Records		
Bank Deposits	AU	AU + 2
Bank Statements	AU	AU + 5
Purchase Orders (retained copy)	AU	AU + 2
Warrants, Checks	AU	AU + 7
Journal Vouches	AU	AU + 7
Ledgers	AU	AU + 7
Trial Balance (general ledger)	AU	AU + 2
Balance Sheet	AU	AU + 2
Budget	AU + 5	P
Audits	AU + 10	P
Audit Review or Hearing Documentation	AU	AU + 2
Improvement Districts	L + 5	P
Loans & Grants	L	L + 5
Registers		

• Cash Receipts	AU	AU + 5
• Security Deposits	AU	AU + 5
• Payroll	AU	AU + 5
• Warrant Voucher	AU	AU + 5
Meter Books	AU	AU + 5
Depreciation Schedules	AU	AU + 5
Annual Financial Report	CL	CL + 2
Bonds (Final Bond Documentation)	CL	CL + 10
Grants	CL	CL + 5
PERSONNEL		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Payroll, personnel forms and authorizations	CU	CU + 3
Vehicle Mileage Reimbursement Rates	S	S + 2
Travel Records	CU + 2	CU + 2
Bonds and Garnishments	T	T + 3
Accident Reports, Injury Claims & Settlements	CL	CL + 3
Employee Rights (grievances, union requests, sexual harassment, civil rights, disciplinary actions, etc.)	T	T + 6
Benefit Plan Claims	P	P
Denial of Benefit Plan Enrollment	CL	CL + 4
DMV Reports	CL	CL + 7

Immigration Earning Records	T	T + 3
IRS Forms	CU	CU + 3
Employee Handbook	S	S + 2
Employee Programs (EAP, etc.)	CL	CL + 2
Medical Leave	CL	CL + 30
Negotiation (notes, correspondence, MOUs)	S + 2	P
Employment Test Results (Non Hires)	CL	CL + 2
Employment Applications, Tests, Changes, Terminations	T	T + 3
Employee Insurance Records	T	T
Job Descriptions	S	S + 3
Job Announcements, Recruitment Materials, Eligibility Lists	CL	CL + 3
Performance Evaluations & Disciplinary Actions	T	T + 6
Retirements	L	L
Time Sheets or Cards	CL	CL + 5
Employee Training Records	CU + 7	
OPERATIONS AND MAINTENANCE RECORDS		
Bacteriological Analysis	CU	CU + 5
Chemical Analysis	CU	CU + 10

Reports and Surveys from State Agencies	CU	CU + 10
Customer Complains	CU	CU + 2
Work Orders	CU	CU + 2
Water Rights and Water Permits and Licenses	L	L + 5
Master Plans	L + 5	P
Groundwater and Project Studies	L + 5	P
Construction photos and videos	L	L + 5
OSHA and other agency Certificates and Permits	L	L + 2
Underground Service Alert	CU	CU + 2
Monthly Operations Reports	CU	CU + 2

ENGINEERING

Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Construction Project Inspection Reports	CL	L + 7
Construction Videos and Photos	CL	L + 7
Reports, Plans, Studies Contracted by District	CL	CL + 7
Bids, Proposals and Notices	CL	CL + 3
Contract and As-Built Drawings and Submittals	CL + 7	P
Construction Related Correspondence	CL	CL + 7
Permits (Issued by Others_	L	L + 3

Environmental Impact Studies and Reports	L	L + 3
Maps	L	P
Easements, Encroachments and Deeds	L	L

MISCELLANEOUS		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Correspondence (To or From District)	CU	CU + 2
Staff and Committee Reports	CU	CU + 2
Agreements, Contracts, Leases	T + 4	P
Legal Opinions	CU	CU + 5
Annexations and Detachments	S	P
Policies, Rules and Regulations	S	S + 5
Press Releases and Newsletters	CU	CU + 2

PURCHASING RECORDS		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Purchase Orders and Requisitions (with backup)	CL	CL + 3
Inventory Records	CU	CU + 3
Disposal of Surplus Property	CU	CU + 3
Bids and Quotes	CL	CL + 2
Maintenance Agreements	L	L + 4

ADMINISTRATION		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Agendas (Board)	CU + 2	P
Minutes (Board)	CU + 5	P
Resolutions and Ordinances	P	P
Public Records Act requests	CU+1	CU+1
ELECTIONS/POLITICAL		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Elections Materials and Results	E	E + 5
Proposition 218 Ballots	E	P
Canvass	E	P
Campaign Statements, Conflict of Interest	CU	CU + 5
Campaign Disclosure (Elected)	E	P
Campaign Disclosure (Not Elected)	E	E + 5
Candidate Statements	E	E + 4
Statement of Economic Interest (Elected)	T	T + 7
Statement of Economic Interest (Not Elected)	E	E + 5
Oaths of Office	T	T + 6
RISK MANAGEMENT		

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
Insurance	CU	CU + 5
Accident Reports	CL	CL + 7
Bonds, Insurance	CU +3	P
Incident Reports	CL	CL + 7
Insurance (Joint Powers Agreement)	CL + 4	P
Worker's Compensation Insurance and Claims	CU + 4	P
Risk Management Reports	CU	CU + 5
Suits, Claims, Liens where District is Party	CL + 5	P

Items for Discussion and Action
Agenda Item: 4.5

Date: July 20, 2015

Subject: AMI System Purchase Resolution 2015-05

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends the Board approve the purchase of the AMI meters by Resolution 2015-05 with Holman Capital Corp.

Current Background and Justification:

At the May 2015 meeting the Board agreed with the meter replacement but needed further information regarding funding the project. There was concern about drawing the Capital Reserve Account down in case there was a grant that needed matching funds. The Board agreed at the June 2015 Board meeting to finance the AMI project through the Operating Fund instead of the Capital Improvement fund. The payment for the new system would be similar to what has already traditionally been coming out of the Operating Fund. The Capital Improvement Fund would stay intact for possible grant cost share opportunities. Holman Capital is the company that provides financing for Neptune AMI systems. Their loan documents are attached for your review.

Conclusion:

Staff and the Finance & Administrative Committee recommends the Board approve the loan documents with Holman Capital Corporation for the AMI system.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:_____

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date 7/20/15

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

AMI System Purchase Resolution 2015-05

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review 7/13/15

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

GM Review 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

RESOLUTION NO. 2015-05

AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT, ESCROW AGREEMENT AND OTHER DOCUMENTS RELATED THERETO WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING, AND INSTALLATION OF WATER METERS AND SOFTWARE; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, Rio Linda/Elverta Community Water District (the *"District"*), a California public utility district, which is a body politic and corporate duly organized and existing as a political subdivision, municipal corporation, or similar public entity of the State of California, is authorized by the laws of the State of California to purchase, acquire, and finance personal property for the benefit of the District and those it provides services to and to enter into contracts with respect thereto;

WHEREAS, the District desires to purchase, acquire and finance certain equipment constituting personal property necessary for the District to perform essential governmental functions; including without limitation various AMI Towers, software and meters provided by Equarius and all other equipment and attachments thereto as the Designated Officers may deem necessary and/or desirable in an amount not more than $500,000.00 (the "*Project*");

WHEREAS, in order to acquire such Project, the District proposes to enter into that certain Installment Purchase Agreements (together with all related exhibits, schedules, and certificates attached thereto, the *"Agreement"*) with Holman Capital Corporation (the *"Corporation"*) and one Escrow Agreement (together the Disbursement/Payment Request Form and Acceptance Certificate, the "*Escrow Agreement*") with the Corporation and Community Business Bank, as escrow agent, the forms of which have been presented to the Governing Body of the District at this meeting;

WHEREAS, the Corporation has agreed to assign all of its rights, title and interest in the Installment Purchase Agreement and the Escrow Agreement (collectively, the "*Transaction Documents*") to Community Business Bank and the District has consented and acknowledged to the foregoing;

WHEREAS, the Governing Body of the District deems it for the benefit of the District and for the efficient and effective administration thereof to enter into the Transaction Documents for the purchase and installation of the Project to be therein described on the terms and conditions therein provided;

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

Section 1. Approval of Documents. The Governing Body of the District hereby approves the form, terms and provisions of the Transaction Documents in substantially the forms presented to this meeting and authorizes and directs Mary Henrici, General Manager and Duane Anderson, President of Rio Linda/Elverta Community Water District, and such other persons as he/she/they may delegate (the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the District, to execute and deliver the Transaction Documents, and any related Certificate, Exhibits, or other documents attached thereto in such forms with such changes, modification, negotiations, insertions, revisions, corrections, or amendments as shall be approved by the officer executing them. The execution of the foregoing by a Designated Officer shall constitute conclusive evidence of such officer's and the Governing Body's approval of any such changes, insertions, revisions, corrections, negotiations, or amendments to the respective forms of agreements presented to this meeting.

Section 2. Other Actions Authorized. The officers and employees of the District shall take all action necessary or reasonably required by the parties to the Transaction Documents to carry out, give effect to, and consummate the transactions contemplated thereby (including the execution and delivery of Certificates of Acceptance and Disbursement/Payment Requests, Notice and Acknowledgements of Assignments, and any tax certificate and agreement, each with respect to and as contemplated in the Agreement and/or Escrow Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Transaction Documents. The Designated Officers and all other officers and employees of the District are hereby directed and authorized to take and shall take all action necessary or reasonably required in order to select, purchase, and take delivery of the Project. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 3. No General Liability. Nothing contained in this Resolution No 2015-05, the Transaction Documents, nor any other instrument shall be construed with respect to the District as incurring a pecuniary liability or charge upon the general credit of the District or against its taxing power, nor shall the breach of any agreement contained in this Resolution No. 2015-05, the Transaction Documents, or any other instrument or document executed in connection therewith impose any pecuniary liability

upon the District or any charge upon its general credit or against its taxing power, except to the extent that the installment sale payments payable under the Transaction Documents are special limited obligations of the District as provided therein.

Section 4. Appointment of Authorized District Representatives. The Designated Officers are each hereby designated to act as authorized representatives of the District for purposes of the Transaction Documents until such time as the Governing Body of the District shall designate any other or different authorized representative for purposes of the Transaction Documents.

Section 5. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution No. 2015-05.

Section 6. Repealer. All bylaws, orders, and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

Section 7. Effective Date. This Resolution 2015-05 shall be effective immediately upon its approval and adoption.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of Rio Linda/Elverta Community Water District held on July 20, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Duane Anderson, Board President

ATTEST:

By: _____
Mary Henrici, General Manager

INDEX TO CLOSING DOCUMENTS

$499,835.00 2015 INSTALLMENT PURCHASE AGREEMENT FINANCING THE CONSTRUCTION AND ACQUISITION OF WATER METERS AND SOLAR-POWERED DATA COLLECTORS ISSUED BY THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT TO HOLMAN CAPITAL CORPORATION

INSTALLMENT SALE AGREEMENT:

1. 2015 Installment Purchase Agreement;
2. 2015 Project Descriptions as Exhibit A;
3. 2015 Installment Payments as Exhibit B;
4. Authorizing Resolution of the Rio Linda/Elverta Community Water District;

CLOSING CERTIFICATES OF THE DISTRICT:

5. General Certificate of the District;
6. Tax Agreement and Arbitrage Certificate;
7. Opinion of Issuer's Counsel;
8. Form 8038-G;
9. Bank Qualified Certificate;

MISCELLANEOUS:

10. Closing Memorandum;C with the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), and the Issuer maintains not less than maintains at least $1,000,000.00 in general liability coverage through that risk pooling program.

III

Except as otherwise been disclosed to the Purchaser, no litigation or other proceedings are pending or, to our knowledge, threatened against the Issuer in any court or other tribunal of competent jurisdiction, State or Federal, in any way (i) restraining or enjoining the issuance, sale, execution or delivery of the IPA, or (ii) questioning or affecting the validity of the IPA or the Resolution, or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the IPA

IV

All other representations and warranties of the Issuer in the Resolution are correct as of the date hereof.

V

There has been no material adverse change in the financial condition of the Issuer since the copies of its financials were last published following the Fiscal Year ending December 31, 2014.

VI

The following is a correct list of the names of the members of the Issuer's Board of Directors and of the date of expiration of their respective terms of office:

NAME	TITLE	ENDING DATE OF CURRENT TERM
Duane Anderson	President	

VII

Mary Henrici is the General Manager of the Issuer since _____.

VIII

The Issuer has compiled with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Resolution and as required by applicable law.

IX

The Resolution has been duly adopted and has not been repealed, revoked, rescinded or altered in any manner.

X

The Issuer is not in default, and has not been in default at any time as to principal of and interest on any of its indebtedness.

XI

The IPA is signed with the manual signatures of the Board of the Issuer, and the foregoing specimen is his genuine and correct signature:

_____.

XII

Issuer agrees: (a) that it has not been and it will continue to ensure that it will not be, listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control, Department of Treasury, and/or any other similar lists maintained by the Office of Foreign Assets Control; (b) that it will comply with the USA Patriot Act, and international trade control and anti-money laundering laws, as applicable; and (c) that it will not be a person designated under Section 1(b), (c), or (d) of Executive Order No. 13224 (9/23/01) or under any related enabling legislation or any other similar Executive Orders. Issuer also agrees to comply with all Bank Secrecy Act laws, regulations and governmentally imposed guidelines on or in connection with Bank Secrecy Act compliance, and on the prevention and detection of money laundering violations.

IN WITNESS WHEREOF, I hereby certify attest to the foregoing information as of this 23rd day of July, 2015.

_____
Duane Anderson
Board President

Attest:

_____
Mary Henrici, Generaly Manager

INSTALLMENT PURCHASE AGREEMENT

between

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

and

HOLMAN CAPITAL CORPORATION

Dated July 23, 2015

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated July 23, 2015, between the RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT, a public utility district of the state of California (the "District"), and HOLMAN CAPITAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (the "Corporation"), (each individually a "Party" and collectively the "Parties"). There are no other parties to this Installment Purchase Agreement.

W I T N E S S E T H:

WHEREAS, the District owns and operates an enterprise comprising property and facilities necessary to provide domestic water service within the District (the "Water System");

WHEREAS, the District has determined to undertake the acquisition, construction, equipping, and furnishing of certain improvements to its facilities (collectively, the "2015 Project") as more particularly described in Exhibit A, attached hereto and by this reference incorporated herein;

WHEREAS, the District and the Corporation are entering into this Installment Purchase Agreement, pursuant to which the Corporation will finance the acquisition of the 2015 Project and sell it to the District upon the terms and conditions set forth herein;

WHEREAS, the District and the Corporation have duly authorized the execution of this Installment Purchase Agreement;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement;

NOW, THEREFORE, in consideration of these promises and of the mutual agreements and covenants contained herein and for other valuable consideration, the Parties hereto do hereby agree as follows:

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

Accountant's Report means a report signed by an Independent Certified Public Accountant.

Assignee means Community Business Bank, as assignee of the Corporation's interests hereunder, and its successors and assigns.

Assignment Agreement means the Assignment Agreement dated July 23, 2015, between the Corporation and the Assignee.

Commented [A1]: The District is not a party to this agreement and it was not reviewed. The District is required to abide by conditions of the Assignment Agreement later on in this Installment Agreement. Including it as an Exhibit would be good to ensure the District knows what it is agreeing to.

Board President means the President of the Board of Directors of the District, or any other person designated by the Board President to act on behalf of the Board President.

Corporation means Holman Capital Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware.

District means the Rio Linda/Elverta Community Water District, a public utility district of the state of California, which is a body corporate and politic and a political subdivision duly organized and existing under and by virtue of the laws of the State of California.

Effective Interest Rate means the rate of interest per annum specified in Exhibit B.

Engineer's Report means a report signed by an Independent Engineer.

Escrow Agreement means the Escrow Agreement dated July 23, 2015, between the District, the Corporation and Community Business Bank, as escrow agent.

Commented [A2]: The agreement is also not provided for review.

Escrow Fund means the fund by that name established pursuant to the Escrow Agreement.

Event of Default means an event described in Section 8.1.

Fiscal Year means the period beginning on July 1 of each year and ending on June 30 of each year, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

Funding Date means July 23, 2015.

Independent Certified Public Accountant means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the District, and who, or each of whom:

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(3) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

Independent Engineer means a registered engineer or firm of registered engineers generally recognized to be well-qualified in engineering matters relating to water systems, appointed and paid by the District, and who:

(1) is in fact independent and not under the domination of the District or any member thereof;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(3) is not connected with the District as an officer or employee of the District or any member thereof, but who may be regularly retained to make reports to the District.

Installment Payment Dates mean twice annually, on the twenty-third (23rd) day of each January, and on the twenty-third (23rd) day of each July, commencing January 23, 2016.

2015 Installment Payments means the installment payments of interest and principal scheduled to be paid by the District under and pursuant to this Installment Purchase Agreement.

Installment Purchase Agreement means this Installment Purchase Agreement dated July 23, 2015, between the District and the Corporation, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Manager means the General Manager of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

Net Proceeds means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

Net Water Revenues means, for any Fiscal Year, the Water Revenues during such Fiscal Year less the Operation and Maintenance Costs during such Fiscal Year.

Operation and Maintenance Costs means all expenses and costs of management, operation, maintenance and repair of the Water System and all incidental costs, fees and expenses properly chargeable to the Water System (but excluding debt service or other similar payments on Parity Debt or other obligations and depreciation and obsolescence charges or reserves therefor and amortization of intangibles and inter-fund transfers or other bookkeeping entries of a similar nature).

Parity Debt means the payments made pursuant to any other indebtedness or other obligations (including leases and installment sale agreements), currently outstanding or hereafter issued or incurred, which are payable from and secured by a pledge of and lien on Net Water Revenues equally and ratably with the 2015 Installment Payments.

Purchase Price means the principal amount plus interest thereon owed by the District to the Corporation under the terms hereof as provided in Section 3.3.

Resolution means the resolution adopted by the District's Board of Directors on July 20, 2015, approving this Installment Purchase Agreement, approving the financing, and approving related documents.

Water Revenues means all gross income and revenue received by the District from the ownership and operation of the Water System, including, without limiting the generality of the foregoing,

(1) all income, rents, rates, fees, charges or other moneys derived from the Water Service;

(2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to the law to the Water System; and

(3) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of the Water System; and

(4) but excluding customers' deposits or any other deposits subject to refund until such deposits have become the property of the District.

Water Service means the water furnished, made available, or provided by the Water System.

Water System means the whole and each and every part of the water supply, treatment, and delivery system owned and operated by the District, including all additions, betterments, extensions and improvements to the Water System or any part thereof hereafter acquired or constructed.

Section 1.2. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District or the Corporation any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the other Parties.

Section 1.3. Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Corporation is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 1.4. Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the 2015 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 1.5. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 1.6. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Corporation shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 1.7. California Law. This Installment Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 1.8. Notices. All written notices to be given hereunder shall be given by mail to the Party entitled thereto at its address set forth below, or at such other address as such Party may provide to the other Party in writing from time to time, namely:

If to the District: Rio Linda/Elverta Community Water District
730 L Street
P.O. Box 400
Rio Linda, CA 95673
Attention: General Manager

If to the Corporation: Holman Capital Corporation
29883 Santa Margarita Parkway, Suite 100
Rancho Santa Margarita, CA 92688
Attention: Lance S. Holman

If to the Assignee: Community Business Bank
1540 West Kettleman Lane, Suite A
Lodi, CA 95242
Attention: Dianne Bryant, VP/Loan Servicing Manager

Section 1.9. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ARTICLE II
REPRESENTATIONS BY THE DISTRICT AND THE CORPORATION

Section 2.1. Representations by the District. The District makes the following representations:

(a) The District is a duly organized and existing public utility district under and pursuant to the laws of the State of California, and is a political subdivision and body corporate and politic of the State of California;

(b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out its obligations hereunder;

(c) With the exception of the pledge of the Net Water Revenues hereunder and any pledge made with respect to Parity Debt, the Net Water Revenues have not otherwise been pledged and there are no other liens against the Net Water Revenues;

(d) The District is not currently, and has not been at any time, in default under any long-term debt obligations;

(e) The District's audited financial statements for the period ended June 30, 2014, present fairly the financial condition of the District and the Water System as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Assignee, there has been no change in the financial condition of the District or the Water System since June 30, 2014, that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Installment Purchase Agreement. All information provided by the District to the Assignee with respect to the financial performance of the Water System is accurate in all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading.

(f) As currently conducted, the District's activities with respect to the Water System are in all material respects, to the District's best knowledge, in compliance with all applicable laws, administrative regulations of the State and of the United States and any agency or instrumentality of either, and any judgment or decree to which the District is subject; and

(g) By proper action, the District has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

Section 2.2. Representations by the Corporation. The Corporation makes the following representations and warranties:

(a) The Corporation is a corporation duly organized and existing under the laws of the State of Delaware.

(b) The Corporation has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out its obligations hereunder.

(c) By proper action, the Corporation has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

ARTICLE III
ACQUISITION OF THE 2015 PROJECT; PURCHASE OF THE 2015 PROJECT; 2015 INSTALLMENT PAYMENTS

Section 3.1. Acquisition of the 2015 Project. (a) Funding. To fund the acquisition of the 2015 Project and associated financing costs, the Corporation hereby agrees to cause to be deposited or paid the following amounts:

(a) Project Cost: $494,835.00 deposited into the Escrow Fund for the acquisition costs associated with the 2015 Project, and

(b) Costs of Issuance: $5,000.00 deposited in the Escrow Fund to pay costs associated with the delivery of this Installment Purchase Agreement, and

(b) Acquisition Process. The Corporation hereby agrees to cause the 2015 Project to be acquired by the District as its agent. The District shall enter into contracts and provide for, as agent for the Corporation, the complete acquisition of the 2015 Project. The District hereby agrees that it will cause the acquisition of the 2015 Project to be diligently performed, and that it will use its best efforts to cause the acquisition of the 2015 Project to be completed within three years from the date of execution of this Installment Purchase Agreement, unforeseeable events or delays beyond the reasonable control of the District excepted. It is hereby expressly understood and agreed that the Corporation shall be under no liability of any kind whatsoever for the payment of any cost of the 2015 Project and that all such costs and expenses shall be paid by the District, regardless of whether the amount deposited in the Escrow Fund is sufficient to pay all such costs and expenses associated with the 2015 Project.

(c) Changes to the 2015 Project. The District may delete capital facilities that are portions of the 2015 Project described in Exhibit A hereto and substitute other facilities therefor, provided that the following conditions are met:

(i) the District provides written notice to the Corporation of the capital facilities of the 2015 Project to be deleted and substituted, which notice shall include a statement that the estimated cost of acquisition of any substituted capital facilities are not less than such costs for the capital facilities deleted; and

(ii) the District shall deliver an opinion of bond counsel to the effect that the substitution will not adversely affect the exclusion by the recipients of the 2015 Installment Payments of the interest portion thereof from gross income for federal income tax purposes.

(d) Title. All right, title, and interest in each component of the 2015 Project shall vest in the District immediately upon acquisition or construction thereof. Such vesting shall occur automatically without further action by the Corporation or the District, but the Corporation shall, if requested by the District or if necessary to assure vesting of title to each component of the 2015 Project in the District, deliver any documents required to assure vesting of title to each component of the 2015 Project in the District.

Section 3.2. Purchase of the 2015 Project. The Corporation hereby transfers its interest in and title to the 2015 Project to the District, and the District hereby purchases the 2015 Project from the Corporation at the Purchase Price set forth in Section 3.3 (Purchase Price) herein.

Section 3.3. Purchase Price. (a) Aggregate Purchase Price. The Purchase Price to be paid by the District is the sum of the aggregate principal amount of the District's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article IV (Prepayment of 2015 Installment Payments) herein.

(b) Principal Component. The principal amount of the 2015 Installment Payments to be made by the District hereunder is Four Hundred Ninety Nine Thousand, Eight Hundred Thirty Five Dollars ($499,835.00), including the Five Thousand Dollar ($5,000.00) cost of issuance deposit.

(c) Interest Component. The interest to accrue on the unpaid balance of such principal amount of 2015 Installment Payments is set forth in Exhibit B hereto. The interest components of the 2015 Installment Payments are paid as, and constitute, interest on the principal amount of the District's obligations hereunder.

Section 3.4. 2015 Installment Payments. The District shall, subject to any rights of prepayment provided in Article IV (Prepayment of 2015 Installment Payments) herein, pay the Purchase Price in 2015 Installment Payments, which comprise principal and interest components, in immediately available funds, on the dates and in the amounts set forth in Exhibit B.

Each 2015 Installment Payment shall be paid to the Assignee, as assignee of the Corporation pursuant to the Assignment Agreement, in lawful money of the United States of America by check or wire transfer of immediately available funds. If the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid, and the District agrees to pay the same plus interest thereon at the Effective Interest Rate.

Commented [A3]: This was not available for review. The terms need to be reviewed before this agreement is entered into since the District is tied to the terms of the Assignment Agreement.

Section 3.5. Obligation to Pay. (a) Obligation Limited to Net Water Revenues. Notwithstanding any other provisions contained herein, the obligation of the District to make the 2015 Installment Payments is a special obligation of the District payable solely from Net Water Revenues and does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The District shall not be required to advance any moneys derived from any source of income other than the Net Water Revenues for the payment of the 2015 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

(b) Obligation Otherwise Unconditional. The obligation of the District to make the 2015 Installment Payments from the Net Water Revenues is absolute and unconditional; and, until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article 5 (Discharge of Obligations) herein), the District will not abate, discontinue, or suspend any 2015 Installment Payments required to be made by it under this Installment Purchase Agreement when due, whether or not the 2015 Project or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, whether by reason of material damage to, material destruction of, taking under the power of eminent domain (or sale to any entity threatening the use of such power), material title defect, or other reason. The 2015 Installment Payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

Section 3.6. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely during the term hereof the 2015 Installment Payments and all other payments required hereunder, free of any deductions and without any abatement, diminution, counterclaims, or set-off whatsoever.

ARTICLE IV

PREPAYMENT OF 2015 INSTALLMENT PAYMENTS

Section 4.1. Prepayment. (a) The District may or shall, as the case may be, prepay principal components of the unpaid 2015 Installment Payments as a whole or in part (such that the remaining 2015 Installment Payments after such partial prepayment are substantially equal) on any date from Net Proceeds as provided herein at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment.

(b) Optional Prepayment. On any Installment Payment Date, the District may prepay its obligations hereunder in whole, but not in part, by paying to the Corporation the 2015 Installment Payment due on such date together with the amount shown as the "Purchase Option Price" for such date on Exhibit B, plus the amount of any 2015 Installment Payments then in default, together with all past due amounts, additional interest, and late charges (if any).

Section 4.2. Notice of Prepayment. Before making any prepayment pursuant to Article 4 (Prepayment of 2015 Installment Payments) herein, the District shall give written notice to the Corporation not less than thirty (30) calendar days prior to the date of prepayment, or such shorter time as is consented to by the Corporation.

ARTICLE V
DISCHARGE OF OBLIGATIONS

Section 5.1. Discharge of Obligations. (a) Payment of All 2015 Installment Payments. If the District shall pay or cause to be paid all the 2015 Installment Payments at the times and in the manner provided herein and also pay or cause to be paid all other sums payable hereunder by the District, then the right, title, and interest of the Corporation herein shall cease, terminate, become void, and be completely

discharged and satisfied. Notwithstanding the satisfaction and discharge of this Installment Purchase Agreement, the covenants of the District to preserve the exclusion of the interest component of the 2015

Installment Payments from gross income for federal income tax purposes contained in Section 7.10 (Tax Covenant) shall survive.

(b) Prepayment Escrow. All or any portion of unpaid 2015 Installment Payments shall, prior to their scheduled payment dates, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 5.1 (except that the District shall remain liable for the 2015 Installment Payments, but only out of the money or securities deposited as described below for their payment), if there shall have been irrevocably deposited with an escrow agent or other fiduciary sufficient moneys and securities guaranteed by the full faith and credit of the United States the principal of and interest on which when due will provide money sufficient to pay such 2015 Installment Payments when due or prepay such 2015 Installment Payments in accordance with Section 4.1(b) (Optional Prepayment) herein.

ARTICLE VI
SECURITY

Section 6.1. Pledge of Net Water Revenues & Lien on Escrow Fund. The District hereby irrevocably pledges all of the Net Water Revenues to the payment of the 2015 Installment Payments. This pledge shall constitute a first priority lien on the Net Water Revenues for the payment of the 2015 Installment Payments and any Parity Debt. Additionally, the District hereby irrevocably grants to Corporation a first, priority and perfected lien and security interest in the 2015 Project Proceeds in the Escrow Fund, until such time as the funds therein are used to complete the 2015 Project.

Section 6.2. Additional Debt. (a) No Superior Obligations. The District shall not issue or incur any additional or future obligations secured by a pledge of Water Revenues or Net Water Revenues that is superior to the pledge securing the 2015 Installment Payments, without the prior written consent of the Corporation and Assignee.

(b) Additional Parity Debt. The District shall not incur additional Parity Debt unless:

(1) the District is not in default under the terms of this Installment Purchase Agreement, and

(2) the Net Water Revenues for the latest Fiscal Year or any more recent 12-month period selected by the District ending not more than 60 days prior to the adoption of the resolution approving the instrument pursuant to which such proposed Parity Debt is to be issued or incurred, plus, at the option of the District, the additional allowance described below, shall have amounted to at least 1.25 times the sum of the amount of the 2015 Installment Payments becoming due and payable in the current or future Fiscal Year in which that amount is at its maximum and the maximum annual debt service on all Parity Debt outstanding immediately subsequent to the incurring of such additional obligations, as evidenced by a calculation prepared by a qualified Accounting firm.

Either or both of the following items may be added to Net Water Revenues by the District for the purpose of applying the restriction in Subsection (b)(2) above:

(1) An allowance for revenues from any additions to or improvements or extensions of the Water System to be constructed with the proceeds of such additional obligations, and also for net revenues from any such additions, improvements or extensions, but that, during all or any part of such Fiscal Year, were not in service, all in an amount equal to 100% of the estimated additional average annual Net Water Revenues to be derived from such additions, improvements and

extensions for the first 36-month period following closing of the proposed Parity Debt, all as shown by the certificate or opinion of a qualified independent consultant employed by the District; and/or

(2) An allowance for earnings arising from any increase in the charges made for service from the Water System that has become effective prior to the incurring of such additional obligations but that, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Net Water Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of an Independent Engineer.

(c) Refundings. The District may incur obligations secured by the Net Water Revenues to discharge or defease any Parity Debt, if the District either meets the requirements of subsection (b) above or an Accountant's Report is filed with the Corporation to the effect that the Debt Service for each future Fiscal Year following such discharge or defeasance shall be less than or equal to the Debt Service for that Fiscal Year if such discharge or defeasance did not occur.

(d) Subordinate Obligations. The District may incur obligations secured by the Net Water Revenues on a junior or subordinate basis, if the District meets the requirements of subsection (b) above but reducing the coverage ratio required therein from 1.25 to 1.00.

ARTICLE VII
COVENANTS OF THE DISTRICT

Section 7.1. Compliance with Installment Purchase Agreement and Resolution. The District will punctually pay the 2015 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate the Installment Purchase Agreement for any cause. The District will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Resolution resolved therein to be observed and performed by it.

Section 7.2. Compliance with Law and Contracts; Preservation of Rights. The District will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on its operation of the Water System by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by it, including its right to exist and carry on its business, to the end that such franchises, rights, and privileges shall be maintained and preserved and shall not become abandoned, forfeited, or in any manner impaired.

Section 7.3. Against Sale or Other Disposition of Property. The District will not sell, lease, encumber, or otherwise dispose of the Water System, the 2015 Project, or any part thereof, or interest therein essential to the proper operation of the Water System or to the maintenance of the Water Revenues. The District will not enter into any agreement or lease that impairs the operation of the Water System or any part thereof necessary to secure adequate Water Revenues for the payment of the 2015 Installment Payments or that would otherwise impair the rights of the Corporation with respect to the Water Revenues or the operation of the Water System. The District may sell or otherwise dispose of any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of the Water System or any material or equipment that has become worn out.

Section 7.4. Operation and Maintenance of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs of the Water System as they become due and payable.

Section 7.5. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies that, if unpaid, might become a lien on the Water Revenues or any part thereof or on any funds in the hands of the District prior or superior to the lien of the 2015 Installment Payments or that might impair the security of the 2015 Installment Payments.

Section 7.6. Insurance; Application of Net Proceeds.

(a) Casualty and Liability Insurance. The District will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with water systems similar to the Water System so long as such insurance is available from reputable insurance companies. In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair, or replacement of the damaged or destroyed portion of the Water System. The District shall begin such reconstruction, repair, or replacement promptly after such damage or destruction shall occur; shall continue and properly complete such reconstruction, repair, or replacement as expeditiously as possible; and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair, or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds may be applied in part to the prepayment of 2015 Installment Payments as provided in Article 4 (Prepayment of 2015 Installment Payments) and in part to such other fund or account as may be appropriate and used for the retirement of Parity Debt. If such Net Proceeds are sufficient to enable the District to retire the entire obligation evidenced hereby prior to the final due date of the 2015 Installment Payments as well as the entire obligations evidenced by Parity Debt Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair, or replace the damaged or destroyed portion of the Water System, and thereupon such Net Proceeds shall be applied to the prepayment of 2015 Installment Payments as provided in Article 4 (Prepayment of 2015 Installment Payments) and to the retirement of such Parity Debt.

(b) Other Insurance. The District will procure and maintain such other insurance that it deems advisable or necessary to protect its interests and the interests of the Corporation, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with Water systems similar to the Water System.

(c) Self-Insurance. Any insurance required to be maintained pursuant to paragraph (a) above and any insurance maintained pursuant to paragraph (b) above will be maintained under a self-insurance or pooled risk program so long as such self-insurance or pooled risk program is maintained in the amounts and manner usually maintained in connection with Water systems similar to the Water System.

(d) Notice of Cancellation. All policies of insurance required to be maintained herein shall provide that the Corporation shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 7.7. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District obtains and files with the Corporation an Engineer's Report or Accountant's Report showing (i) the estimated loss of annual Net Water Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions, or improvements to the Water System proposed to be acquired and constructed by the District from such Net Proceeds, and (iii) an estimate of the additional annual Net Water Revenues to be derived from such additions, betterments, extensions, or improvements, and (2) the District, on the basis of such Engineer's Report or Accountant's Report filed with the District, determines that the estimated additional annual Net Water Revenues will sufficiently offset the estimated loss of annual Net Water Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive) then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions, or improvements substantially in accordance with such Engineer's Report or Accountant's Report and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in the District's water enterprise fund.

(b) If (1) the District obtains and files with the Authority an Engineer's Report or Accountant's Report containing an estimate of annual Net Water Revenues after the taking by eminent domain and (2) the District, on the basis of such Engineer's Report or Accountant's Report, determines that Net Water Revenues will equal at least one hundred twenty-five per cent (125%) of the 2015 Installment Payments and debt service on all Parity Debt outstanding for each Fiscal Year in which 2015 Installment Payments are due, then the District may use such Net Proceeds for any lawful purpose.

(c) If the conditions of neither of the foregoing subsections are met, then such Net Proceeds shall be applied in part to the prepayment of 2015 Installment Payments as provided in Article IV (Prepayment of 2015 Installment Payments) and in part to such other fund or account as may be appropriate and used for the retirement of Parity Debt in the same proportion as the aggregate unpaid principal balance of 2015 Installment Payments then bears to the aggregate unpaid principal amount of such Parity Debt.

Section 7.8. Rates, Fees and Charges.

(a) The District covenants that it shall prescribe, revise and collect such charges for the Water Service that, after allowances for contingencies and error in the estimates, shall produce Water Revenues sufficient in each Fiscal Year to provide Net Water Revenues equal to at least 125% of the sum of (1) the 2015 Installment Payments becoming due and payable in such Fiscal Year, and (2) all debt service and any additional payments required with respect to Parity Debt for such Fiscal Year.

(b) The District will have in effect, at all times, rules and regulations requiring each customer located on any premises connected with the Water System to pay the rates, fees and charges applicable to the Water Service to such premises and providing for the billing thereof and for a due date and a delinquency date for each bill. The District will not permit any part of the Water System or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the United States of America, the State of California and any city, county, district, political subdivision, public corporation or agency of any thereof); provided, that the District may without charge use the Water Service.

(c) The District covenants and agrees to raise water rates (subject to the legal restrictions and requirements incumbent thereon) and take other legally available steps necessary to not only cover operating expenses, capital expenditures, and maintenance expenses, but also to faithfully and punctually pay and perform all of its obligations under this Installment Purchase Agreement, including, without limitation, meeting all debt service, rate and other financial covenants contained herein.

Section 7.9. Protection of Security and Rights of the Corporation. The District will preserve and protect the security hereof and the rights of the Corporation to the 2015 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 7.10. Tax Covenant. The District shall at all times do and perform all acts and things permitted by law (and not permit any omissions required under applicable laws) that are necessary and desirable in order to assure that interest paid with respect to the 2015 Installment Payments will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. District agrees to (a) execute and deliver to Corporation, upon Corporation's request, a tax certificate and agreement in form and content acceptable to Corporation and District, relating to the establishment and maintenance of the excludability from gross income of the interest component of the installment payments hereunder for federal income tax purposes; (b) complete and file in a timely manner an information reporting return as required by the Internal Revenue Code of 1986 (as from time to time amended, the "Code"); and (c) make any arbitrage, yield, or rebate payments (if applicable) to the federal government if required by, and in accordance with, Section 148(f) of the Code , and make the determinations and maintain the records required by the Code. For avoidance of doubt, the representations and warranties of the District in the Tax and Arbitrage Certificate related hereto is incorporated by reference herein.

The District represents that it does not have on hand any property, including cash and securities, that is legally required or otherwise restricted (no matter where held or the source thereof) to be used directly or indirectly to purchase the 2015 Project. The District has not and will not establish any funds or accounts (no matter where held or the source thereof) the use of which is legally required or otherwise restricted to pay directly or indirectly 2015 Installment Payments hereunder. The District further certifies that, so long as any installment payments hereunder remain unpaid, moneys on deposit in the Escrow Fund will not be used in a manner that will cause this Installment Purchase Agreement to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code.

Should the District take any act or omit to take any action that would result in the income for the 2015 Installment Payments being included in the gross income of the Corporation, its Assignee, or any subsequent assignee hereunder, the District agrees to pay promptly after any such determination of taxability and on each rental payment date thereafter to Corporation, its Assignee, or any assignee thereof an additional amount determined by Corporation, its Assignee, or any assignee thereof to compensate such owner or owners for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error). The covenants and agreements in this Section 7.10 will survive the payment in full of the 2015 Installment Payments.

Section 7.11. Indemnification of the Corporation. The District shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Corporation and its directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest, arising out of or as the result of the actions or omissions of District related to entering into of this Installment Purchase Agreement or any other agreement entered into in connection herewith or therewith, the design or ownership of the 2015 Project, the ordering, acquisition, use, operation,

condition, purchase, delivery, rejection, storage, or return of any part of the 2015 Project, or any accident in connection with the operation, use, condition, possession, storage, or return of any item of the 2015 Project resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation; any claim for patent, trademark, or copyright infringement; and any claim arising out of strict liability in tort. Notwithstanding the forgoing, this indemnification and hold harmless shall not include any liability arising out of or resulting from the negligence, willful misconduct, or wrongful acts of the Corporation, its directors, officers, employees, or agents. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Installment Purchase Agreement or the termination of the term of this Installment Purchase Agreement for any reason. The District and the Corporation mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

Section 7.12. Additional Information. The District agrees to furnish to the Assignee (i) the audited financial statements of the District within six (6) months of the end of the Fiscal Year, or as soon as practicable thereafter, together with a certificate that the District is in compliance with the covenants contained herein, and (ii) promptly, from time to time, but no more than one (1) time per quarter, such information regarding the operations, financial condition and property of the District and the Water System as the Assignee may reasonably request. Any audited financial statements furnished to the Assignee shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements.

Section 7.13. Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it herein.

Section 7.14. Opinion of District's Attorney. The District will cause to be delivered an opinion of the District's Attorney dated the Funding Date and addressed to the Corporation and the Assignee to the effect that:

(i) the District is a public utility district duly organized and existing under the laws of the State of California;

(ii) the Resolution was duly adopted at a meeting of the Board of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iii) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of such counsel after reasonable investigation, threatened against or affecting the District, to restrain or enjoin the payment of the 2015 Installment Payments under this Installment Purchase Agreement, or in any way contesting or affecting the validity of the Resolution or this Installment Purchase Agreement, and

(iv) the execution of this Installment Purchase Agreement, the consent to the Assignment Agreement, the adoption of the Resolution and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a Party or by which it is bound (that are known to the District's Attorney) or any existing law, regulation, court order or consent decree to which the District is subject.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES OF THE CORPORATION

Section 8.1. Events of Default and Remedies. (a) Events of Default. The following shall be Events of Default hereunder:

(1) Failure by the District to pay any 2015 Installment Payment or debt service on any Parity Debt at the time specified herein after thirty (30) days written notice of such failure to the District by the Corporation.

(2) Failure by the District to observe and perform any covenant, condition or agreement on its part contained herein or in agreement or instrument pursuant to which Parity Debt is issued, other than in clause (1) of this subsection, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation; provided, however, that the Corporation and the District may agree that action by the District to cure such failure may be extended beyond such thirty-day period.

(b) Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Corporation shall have the right, at its option upon notice to the District, to:

(1) declare the entire principal amount of the unpaid 2015 Installment Payments and the accrued interest thereon to be accelerated and immediately due and payable, whereupon the same shall immediately become due and payable; and/or

(2) for the account of the District, incur and pay reasonable expenses for repair, maintenance, and operation of the Water System and such other reasonable expenses as may be necessary to cure the cause of default; and/or

(3) take all actions and pursue all other rights and remedies that Corporation may have, at law or in equity, including, without limitation, seeking a mandamus, requesting specific performance, or taking action to enjoin the District from taking any action not permitted or contradictory to the express terms, conditions and requirements hereunder.

The provisions of the preceding clause (1) are subject to the condition that if, at any time after the principal amount of the unpaid 2015 Installment Payments shall have been so declared due and payable pursuant to the preceding clause (1), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Corporation a sum sufficient to pay the unpaid principal amount of the 2015 Installment Payments coming due prior to such declaration, and the reasonable expenses of the Corporation, and any and all other defaults known to the Corporation (other than in the payment of the entire principal amount of the unpaid 2015 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Corporation or provision deemed by the Corporation to be adequate shall have been made therefor, then and in every such case the Corporation, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.2. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.1, all Water Revenues thereafter received by the District shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Water Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Corporation if any, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment of the entire principal amount of the unpaid 2015 Installment Payments and the unpaid principal amount of any other obligations secured by the Net Water Revenues and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the 2015 Installment Payments and such other obligations if paid in accordance with their respective terms.

Section 8.3. Other Remedies of the Corporation. The Corporation shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District, and to compel the District to carry out its duties under the agreements and covenants required to be performed by it contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Corporation; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its board members, officers and employees to account as the trustee of an express trust.

Section 8.4. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the 2015 Installment Payments to the Corporation at the respective due dates or upon prepayment, or shall affect or impair the right of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Corporation shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Corporation by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Corporation, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.5. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the law.

ARTICLE IX
ASSIGNMENT; AMENDMENTS

Section 9.1. Assignment.

(a) The District hereby consents to the assignment by the Corporation of its rights under this Installment Purchase Agreement to the Assignee, which rights are evidenced by the Assignment Agreement. The District will not assign its duties and obligations under this Installment Purchase Agreement without the prior written consent of the Corporation, the Assignee, or any permitted assignee thereof, and such assignment by the District will be subject to the holder's then existing credit underwriting criteria and require an opinion from a nationally recognized tax or bond counsel that such transfer or assignment will not cause the interest paid with respect to the 2015 Installment Payments to be included in the gross income calculations of the Corporation, Assignee, or any assignee thereof for federal income tax purposes.

(b) The Assignee may further assign its right, title and interest in this Installment Purchase Agreement, the 2015 Installment Payments and other amounts due hereunder in whole to one or more assignees or subassignees at any time, without the consent of the District. Upon such assignment the assignee of such assignment shall be entitled to all rights of the Assignee set forth herein and shall be entitled to all notices required to be sent to the Assignee pursuant to this Installment Purchase Agreement. The District shall cooperate with the Assignee either now or hereafter by acknowledging any agreement relating thereto which in no way will alter or affect the terms and conditions of this Installment Purchase Agreement and the assignment of this Installment Purchase Agreement by the Assignee. No such assignment shall be effective as against the District unless and until the entity or person making the assignment shall have filed with the District written notice thereof. During the term of this Installment Purchase Agreement, the District shall keep a record of all such notices of assignment and shall make payments to the assignee. Subject always to the foregoing, this Installment Purchase Agreement inures to the benefit of, and is binding upon the successors and assigns of the Parties hereto.

Section 9.2. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Corporation and the District and of the Assignee may be modified or amended at any time but only with the written consent of the District and Assignee. No such modification or amendment shall (1) extend the payment dates for the 2015 Installment Payments or reduce the amounts thereof without the consent of the District and the Assignee, or (2) modify any of the rights or obligations of the Corporation or the Assignee (as applicable) without its written consent thereto.

(b) This Installment Purchase Agreement and the rights and obligations of the Corporation and the District and of the Assignee may also be modified or amended at any time, with the consent of the Assignee and the District, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Corporation or the District contained in this Installment Purchase Agreement other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved to or conferred upon the Corporation or the District, and that shall not adversely affect the interests of the Assignee;

(2) to cure, correct or supplement any ambiguous or defective provision contained in this Installment Purchase Agreement or in regard to questions arising under this Installment

Purchase Agreement, as the Corporation or the District may deem necessary or desirable and that shall not adversely affect the interests of the Assignee; and

(3) to make such other amendments or modifications as may be in the best interests of the Assignee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT	**HOLMAN CAPITAL CORPORATION**
By: _____	By: _____
Name: Duane Anderson	Name: Lance Holman
Title: Board President	Title: President

EXHIBIT A

DESCRIPTION OF THE 2015 PROJECT

The 2015 Project consists of the acquisition and installation of 813 new water meters and solar-powered data collectors that will electronically connect to the existing automatic meter reading system, and installation of a dashboard system (IQ software system) that will provide water data analytics to detect leaks, high water users, and overall system performance. The data collectors will be fitted onto power poles to collect and transmit water data back to the District, thereby alleviating the need to hire a water meter reading specialist. The 2015 Project will be able to improve water consumption accuracy, enhance revenues, and lower operating cost.

A more detailed description is as follows:

Description	Quatity	Total Cost	% of Total
5/8X3/4 T10 Meter BRZ ECDR R900I CF	462	$ 106,260.00	21.26%
3/4 T10 Meter BRZ BTM R900I	5	$ 1,375.00	0.28%
1 T 10 Meter BRZ BTM ECDR R900I CF PIT	331	$ 120,815.00	24.17%
1-1/2 T10 Meter ECDR 900I CF PIT	7	$ 3,850.00	0.77%
2 HPT Meter ECDR R900I CF 6'	5	$ 3,400.00	0.68%
4T/F Meter ECDR R900I CF 6'	3	$ 8,925.00	1.79%
Gateway R900 V4 Cell	8	$ 120,000.00	24.01%
N Sight IQ BSE License Software	1	$ 38,000.00	7.60%
Installation	1	$ 60,000.00	12.00%
Project Cost		**$ 462,625.00**	**92.56%**
Tax @8%		$ 32,210.00	6.44%
Total Project Cost		**$ 494,835.00**	99.00%
Holman Capital Documentation Fee	1	$ 5,000.00	1.00%
Net Financing Amount		**$ 499,835.00**	**100.00%**

EXHIBIT B

2015 INSTALLMENT PAYMENTS

2015 Installment Payment Number	2015 Installment Payment Dates	2015 Installment Payment Amount	Amount Attributable to Interest	Amount Attributable to Principal	Purchase Option Price
0	7/23/2015				
1	1/23/2016	$ 29,256.96	$ 6,660.51	$ 22,596.45	$ 504,442.68
2	7/23/2016	$ 29,256.96	$ 6,366.75	$ 22,890.21	$ 480,865.76
3	1/23/2017	$ 29,256.96	$ 6,069.18	$ 23,187.78	$ 456,982.35
4	7/23/2017	$ 29,256.96	$ 5,767.74	$ 23,489.22	$ 432,788.45
5	1/23/2018	$ 29,256.96	$ 5,462.38	$ 23,794.58	$ 408,280.03
6	7/23/2018	$ 29,256.96	$ 5,153.05	$ 24,103.91	$ 383,453.00
7	1/23/2019	$ 29,256.96	$ 4,839.70	$ 24,417.26	$ 358,303.23
8	7/23/2019	$ 29,256.96	$ 4,522.27	$ 24,734.69	$ 332,826.50
9	1/23/2020	$ 29,256.96	$ 4,200.72	$ 25,056.24	$ 307,018.57
10	7/23/2020	$ 29,256.96	$ 3,874.99	$ 25,381.97	$ 280,875.14
11	1/23/2021	$ 29,256.96	$ 3,545.03	$ 25,711.93	$ 254,391.85
12	7/23/2021	$ 29,256.96	$ 3,210.77	$ 26,046.19	$ 227,564.28
13	1/23/2022	$ 29,256.96	$ 2,872.17	$ 26,384.79	$ 200,387.94
14	7/23/2022	$ 29,256.96	$ 2,529.17	$ 26,727.79	$ 172,858.32
15	1/23/2023	$ 29,256.96	$ 2,181.71	$ 27,075.25	$ 144,970.81
16	7/23/2023	$ 29,256.96	$ 1,829.73	$ 27,427.23	$ 116,720.76
17	1/23/2024	$ 29,256.96	$ 1,473.17	$ 27,783.79	$ 88,103.46
18	7/23/2024	$ 29,256.96	$ 1,111.99	$ 28,144.97	$ 59,114.14
19	1/23/2025	$ 29,256.96	$ 746.10	$ 28,510.86	$ 29,747.96
20	7/23/2025	$ 29,256.96	$ 375.45	$ 28,881.51	$ -
Grand Totals		$ 585,139.20	$ 72,792.58	$ 512,346.62	

Effective Interest Rate: 3.10%

TAX AND ARBITRAGE CERTIFICATE

2015 Installment Purchase Agreement Financing the
Acquisition and Installation of
813 New Water Meters & Solar-Powered Data Collectors
in the
Aggregate Principal Amount of $499,835.00

The undersigned is the Board Preiident of the Rio Linda/Elverta Community Water District (the "Issuer"), being duly charged, with others, with the responsibility for issuing the Issuer's $499,835.00 2015 Installment Purchase Agreement (Financing the 2015 Project), the ("IPA"), HEREBY CERTIFY, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 1 148-0 through 1 148-11 of the Income Tax Regulations (the "Regulations"), as follows:

1. The IPA is being issued pursuant to the Constitution and laws of the State of California and that certain resolution adopted on July 20, 2015 at the Issuer's Board of Directors Meeting (the "Resolution"). Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as set forth in the IPA. The proceeds of IPA will be used for the purpose of:

   a.) financing the acquisition and installation of water meters and solar-powered data collectors to communicate with the District's existing system (collectively, the "2015 Project");

   b.) paying the costs of issuing the IPA (the "Issuance Expenses")

2. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the IPA being issued this day and as to the use of the proceeds thereof:

   a.) Proceeds in the amount of $499,835.00 (the "Sale Proceeds") are expected to be derived by the Issuer from the sale of the IPA to the Purchaser and are expected to be needed and fully expended as follows:

      (i) $5,000.00 of said proceeds will be deposited into the Escrow Fund and used to pay the Issuance Costs;
      (ii) $494.835.00 of said proceeds will be deposited into the Escrow Fund and used to acquire and equip the 2015 Project and expended within three years from the date hereof to pay for the 2015 Project and Issuance Costs.

   b.) The total Sale Proceeds to be received from the sale of the IPA to the Purchaser do not exceed the amount necessary for the purposes described above.

   c.) The Issuer does not expect to sell or otherwise dispose of any property compromising a part of the 2015 Project financed with the proceeds of the IPA prior to the final maturity date of the IPA.

3. Binding contracts or commitments obligating the expenditure of not less than 5 percent of the Sale Proceeds of the IPA toward the cost of the 2015 Project will be entered into by the Issuer's within 6 months from the date hereof. Work on the 2015 Project will proceed with due

diligence. It is expected that the 2015 Project will be acquired/completed and at least 85 percent of the Sale Proceeds of the IPA will be allocated to 2015 Project expenditures within three years of the date hereof.

4. Not more than 50 percent of the proceeds of the IPA will be invested in obligations having a substantially guaranteed yield for 4 years or more.

5. The IPA provides that the Issuer will utilize Net Water Revenues on each payment 2015 Installment Payment Dates on the IPA sufficient to pay principal of and interest on the IPA. No separate funds or accounts will be held or reserved by the Issuer from which payments of principal and interest on the IPA will be made.

6. There are no funds or accounts established pursuant to the IPA or the Resolution or otherwise which are reasonably expected to be used to pay debt service on the IPA, or which are pledged as collateral for the IPA (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Purchaser that amounts therein will be available to pay debt service on the IPA if the Issuer encounters financial difficulties.

7. Except for preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs, proceeds of the IPA will not be used to reimburse the Issuer of the 2015 Project costs paid prior to 60 days before July 20, 2015.

8. In the event that amounts drawn under the IPA are not immediately used to pay or reimburse costs of the 2015 Project, the following represents the expectations of the Issuer with respect to the investment of such proceeds of the IPA:

   a.) Proceeds derived from the sale of the IPA to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed three years from the date hereof.

   b.) Proceeds derived from the sale of the IPA deposited into a 2015 Project fund (if any) to pay 2015 Project costs may be invested at an unrestricted yield for a period of time not to exceed three years from the date hereof;

   c.) Investment earnings on obligations acquired with amounts described in subparagraphs (a) and (b) above may be invested at an unrestricted yield for a period of three years from the date hereof or one year from the date of receipt, whichever period is longer

   d.) Amounts described in subparagraphs (a) through (c) that may not be invested at an unrestricted yield pursuant to such C

To the extent that any amounts described in this Paragraph 8 are not permitted to be invested at an unrestricted yield, the Issuer may satisfy the applicable yield restriction by causing the appropriate amount of yield reduction payments to be made to the United States as permitted by Section 1.148-5 c of the Regulations.

9. For purposes of this Certificate, "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with the proceeds derived from the sale of the IPA and the yield on the IPA shall be calculated by the use of the same frequency interval of compounding interest. In the case of the IPA, the

purchase price is $499,835.00. The purchase price of the IPA and the interest rate thereon were arrived at as a result of an arm's length negotiation between the Issuer and the Purchaser. The Purchaser is acquiring the IPA primarily for its own account and is not acting as a broker or other intermediary for the purpose of reselling the IPA to other investors, except that such IPA will be immediately assigned to the Assignee as defined in the IPA. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 8 above shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations- State and Local Government Series, or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a) (5) of the Code.

10. No portion of the proceeds of the IPA will be used as a substitute for other moneys of the Issuer which were otherwise to be used to acquire or construct the 2015 Project and which have been or will be used to acquire directly or indirectly, obligations producing a yield in excess of the yield on the IPA.

11. There are no other obligations of the Issuer that (i) are being sold at substantially the same time as the IPA (within 15 days) (ii) are being sold pursuant to a common plan of financing together with the IPA, and (iii) will be paid out of substantially the same source of funds as the IPA.

12. The Issuer has covenanted in the IPA that so long as the IPA remains outstanding, the moneys on deposit in any fund or account maintained in connection with the IPA, will not be used in any manner that would cause the IPA to be "arbitrage IPAs" within the meaning of Section 148 of the Code or IPA not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder.

13. Neither the Issuer nor any person related to the Issuer has entered or is expected to enter into any hedging transaction (such as an interest rate swap, cap or collar transaction) with respect to the IPA.

14. The weighted average maturity of the IPA does not exceed 120 percent of the reasonably expected economic life of the 2015 Project (within the meaning of Section 147(b) of the Code).

15. None of the proceeds of the IPA will be used (directly or indirectly) to acquire any property which prior to its acquisition was used (or held for use) by a person other than a state or local governmental unit in connection with an output facility. For purposes of this Certificate, the term "output facility" means electric and gas generation, transmission, and related facilities.

16. None of the proceeds of the IPA will be used (directly or indirectly) to make or finance loans to any person.

17. Not more than 10% of the proceeds of the IPA will be used (directly or indirectly) in a trade or business (or to finance facilities which are used in a trade business) carried on by any person other than a governmental unit. Not more than 5% of the proceeds of the IPA will be used (directly or indirectly) in trade or business (or to finance facilities which are used in a trade or business) carried on by any person other than a governmental unit which private business use is not related to any governmental use or is disproportionate to governmental use, all as described in Section 141(b)(3) of the Code ("Unrelated or Disproportional Use"). For the purpose of this Paragraph, use by nongovernmental person as a member of the general public shall not be taken into account.

18. Paragraph 17 shall apply only if the payment of 10% or more (5% or more in the case of Unrelated or Disproportional Use) of the principal of or interest on the IPA is (under the terms of such IPA or any underlying arrangement) directly or indirectly secured by any interest in property used or to be used for a private business use or in payments in respect of such property or derived from payments whether or not to the Issuer in respect of property or borrowed money used or to be used for a private business use.

19. The Issuer reasonably expects that the 2015 Project will be owned and operated throughout the term of the IPA in a manner which complies with the requirements set forth in Paragraph 17 above. The Issuer will not change the ownership or use all or any portion of the Project manner that fails to comply with Paragraph 17 above, unless it receives an opinion of Issuer Counsel that such change of ownership or use will not adversely affect the exclusion of interest on the IPA from the gross income for federal income tax purposes.

20. The payment of the principal or interest on the IPA is not and will not be guaranteed directly or indirectly by the federal government within the meaning of Section 149(b) of the Code.

21. This Certificate is, in part, to serve as a guideline in implementing the requirements of Sections 141 to 150 of the Code. If regulations, rulings, announcements and notices validly promulgated under the Code contain requirements which differ from those outlined here which must be satisfied for the IPA to be tax-exempt or in order to avoid the imposition of penalties under Section 148 of the Code, pursuant to the covenants contained in the IPA, the Issuer is obligated to take such steps as are necessary to comply with such requirements. If under those pronouncements, compliance with any of the requirements of this Certificate is not necessary to maintain the exclusion of interest on the IPA from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) or to avoid the imposition of penalties on the Issuer under Section 148 of the Code, the Issuer shall not be obligated to comply with that requirement. The Issuer has been advised to seek the advice of competent counsel with a nationally recognized expertise in matters affecting exclusion of interest on municipal bonds from gross income in fulfilling its obligations under the Code to take all steps as are necessary to maintain the tax-exempt status of the IPA.

22. The Issuer will timely file for each payment schedule issued under the IPA a Form 8038-G relating to the IPA with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

23. The Issuer has not issued, and reasonably anticipates that it and its subordinate entities, if any, will not issue, tax-exempt obligations (including the IPA) in the amount of more than $10,000,000 during the current calendar year. The Issuer hereby designates the IPA as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code and agrees that it and its subordinate entities, if any, will not designate more than $10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

24. The Issuer has adopted, or will adopt in a reasonable period post-closing, by resolution, separate written procedures regarding ongoing compliance with federal tax requirements necessary to keep, ensure and maintain the interest portions of the payments under the IPA as excluded form Purchaser's gross income for federal income tax purposes, and will, on an annual basis, conduct an audit of the IPA to ensure compliance with such procedures

25. To the best of our knowledge, information and belief, the above expectations are reasonable.

[Signature Page Follows]

IN WITNESS WHEREOF, we have hereunto set our hands this 23rd day of July, 2015

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

By:_____
Duane Anderson
Board President

[Signature Page to Tax and Arbitrage Certificate]

FORM OF OPINION OF ISSUER'S COUNSEL

July 23, 2015

Holman Capital Corporation
Rancho Santa Margarita, CA

Community Business Bank
Lodi, CA

2015 Installment Purchase Agreement Financing the
Acquisition and Installation of
813 New Water Meters & Solar-Powered Data Collectors
in the
Aggregate Principal Amount of $499,835.00

Ladies and Gentlemen:

I have participated as counsel for the Rio Linda/Elverta Community Water District (the "District") in connection with the issuance of its $499,835.00 2015 Installment Purchase Agreement dated July 23, 2015 between the District and Holman Capital Corporation (the "IPA"), pursuant to the Constitution of the State of California, as amended, other applicable provisions of California law, and a Resolution duly adopted by the Board of Directors of the Issuer on July 20, 2015 (the "Resolution"). Any capitalized terms used herein not otherwise defined shall have the meaning set forth in the Resolution.

In rendering this opinion, I have examined such proceedings and records of District and made such inquiry of the District as I deem necessary.

In giving the opinions expressed below, I do not purport to be an expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction (including, but not limited to, the laws of the United States) other than the laws of the State of California.

Based on such participation, examination, and inquiry, I am of the opinion, as of the date hereof, that:

1. The District is a duly formed and validly existing irrigation district of the State of California, which makes it a body corporate and politic and a political subdivision of the State of California, as such term is defined under the Section 103 of the Internal Revenue Code of 1986, as amended, with the full right, power, and authority to adopt the Resolution, to issue the IPA, to perform its obligations under the IPA and under the Resolution and to consummate the transactions contemplated by such instruments.

2. The Resolution was duly adopted by the Board of Directors of the District at a duly called meeting following proper notice, and has not been otherwise amended or repealed and is in full force and effect as of the date hereof. The Resolution and IPA constitute legal, valid and binding obligations of the District enforceable in accordance with their terms.

3. The IPA has been duly authorized, executed, and delivered by the District and constitutes a legal, valid and binding obligation of the District enforceable in accordance with its terms (subject only to enforceability of any remedies to any applicable bankruptcy or insolvency laws or other laws affecting creditor's rights generally, from time to time in effect).

4. The adoption of the Resolution, and the authorization, execution, and delivery of the IPA, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulations, consent, decree, ordinance, resolution, constitutional provision, or any agreement or other instrument to which the District was or is subject, as the case may be, nor will such enactment, adoption, execution, delivery authorization or compliance result in the creation or imposition of an invalid, illegal or unauthorized lien, charge, or other security interest or encumbrance of any nature whatsoever upon any property or assets of the District, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly and legally provided for in the IPA.

5. All approvals, consents, authorizations and order of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the District of its obligation under the IPA and Resolution have been obtained and are in full force and effect.

6. The District is lawfully empowered to acquire, complete and engage in all manners incidental to the 2015 Project and to pay associated costs of issuance.

7. There is no litigation pending or threatened, to restrain or enjoin the issuance or sale of the IPA, or in any way, affecting any authority for or the validity of the IPA, the Resolution, or the pledge of and covenants related to the Net Water Revenues.

8. Neither the corporate existence nor the title of any present Director, the Board President, the General Manager, or other officials thereof to their respective office is being contested.

This opinion may be relied upon by addressees hereof as well as by their successors and assigns, but only respect to the matters expressly set forth herein.

Very truly yours,

[IRS Form 8038-G is to be prepared by Holman Capital Corporation]

BANK-QUALIFIED DESIGNATION

The RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT, as issuer, (the *"District"*) under that certain Installment Purchase Agreement (the "IPA") dated as of July 23, 2015 to which this Designation is attached, hereby designates the IPA as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The District hereby represents that the District reasonably anticipates that the District and other entities that the District controls will not issue tax-exempt obligations (including the IPA) the aggregate principal amount of which exceed $10,000,000 during the calendar year in which the IPA is executed and delivered and interest commences to accrue thereunder.

This Designation is attached to and made a part of the IPA and inures to the benefit of the Purchaser and its successors and/or assigns.

EXECUTED as of this July 23, 2015.

RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

By:_____
Name: Duane Anderson
Title: Board President

CLOSING MEMORANDUM

$499,835.00 2015 INSTALLMENT PURCHASE AGREEMENT
FINANCING THE ACQUISITION & CONSTRUCTION OF
813 NEW WATER METERS & SOLAR0-POWERED DATA COLLECTORS
ISSUED BY THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT TO
HOLMAN CAPITAL CORPORATION

Pre-Closing: Pre-Closing will be held on or before July 22, 2015 as all documents will be executed and originals will be overnighted to Holman Capital, Attn: Lance Holman, 29883 Santa Margarita Parkway, Suite 100, Rancho Santa Margarita, California 92688, and held in trust until such time as the wires and original documents are released by the Parties.

Closing: By wire transfer, the morning of July 23, 2015. Counsel for each of the Parties will confirm by e-mail the release of all original documents held in trust, when such funds and/or documents are in the possession of each of the Parties. On the morning of July 23, 2015, Community Business Bank will and is authorized by District to wire for the purchase of the District's 2015 Installment Purchase Agreement, per the wire transfer instructions herein, in the amount of $499,835.00 in 2015 Project Proceeds to Community Business Bank, as escrow agent:

Bank Name: Community Business Bank
ABA # 121144191
Account No:_____
Account Name: Rio Linda/Elverta Community Water District

Following receipt of the 2015 Project Proceeds, the Escrow Agent is hereby authorized and directed to pay the Costs of Issuance to Holman Capital Corporation pursuant to the instructions in the Escrow Agreement and the Invoice attached hereto.

Bank Name: Community Business Bank
ABA # 121144191
Account No:201008281
Account Name: Holman Capital Corporaton

Sources and Uses of Funds:

Par Value/Principal Amount of IPA	$499,835.00
TOTAL SOURCES	**$499,835.00**
2015 Project Costs	$494,835.00
Costs of Issuance	$ 5,000.00
TOTAL IPA PROCEEDS	**$499,835.00**

Attest:
RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

By:_____
Duane Anderson, Board President

ESCROW AGREEMENT

CORPORATION:
Holman Capital Corporation
29883 Santa Margarita Parkway
Suite 100
Rancho Santa Margarita, CA 92688

ESCROW AGENT:
Community Business Bank
1540 West Kettleman Lane, Suite A
Lodi, CA 95242

DISTRICT:
Rio Linda/Elverta Community Water District
730 L Street
P.O. Box 400
Rio Linda, CA 95673

THIS ESCROW AGREEMENT (this *"Escrow Agreement"*) is made as of July 23, 2015, between Holman Capital Corporation (*"Corporation"*), Rio Linda/Elverta Community Water District (*"District"*), and Community Business Bank (the *"Escrow Agent"*).

Corporation and District have heretofore entered into that certain Installment Purchase Agreement dated July 23, 2015 (the *"Purchase Agreement"*). The Purchase Agreement contemplates that certain real or personal property described therein (the *"2015 Project"*) is to be acquired from the vendor(s) or manufacturer(s) thereof. On or about July 23, 2015, the Purchase Agreement and the Escrow Agreement will be assigned to Community Business Bank (the "*Assignee*").

After acceptance of the 2015 Project by District, the 2015 Project is to be financed by Corporation for the District pursuant to the terms of the Purchase Agreement.

The Purchase Agreement contemplates that Corporation will deposit with the Escrow Agent cash in the amount of $499,835.00 (the *"Deposit Amount"*), for deposit into the escrow fund (the *"Escrow Fund"*), to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit into the Escrow Fund, together with all interest and additions received with respect thereto, is to be applied from time to time to pay the vendor(s) or manufacturer(s) of the 2015 Project its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the 2015 Project by District). The Escrow Fund is to be held for the account and benefit of District, and, by its execution hereto, the District has granted to Corporation a first, priority and perfected lien on the Deposit Amount and security interest in the Escrow Fund.

The parties desire to set forth the terms on which the escrow is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent agrees that the Escrow Fund shall be held irrevocably for the account and benefit of District, but subject to the Corporation's first position priority and perfected lien and security interest therein, and all interest earned with respect to the Escrow Fund shall accrue to the benefit of District and shall be applied as expressly set forth herein.

   To the limited extent required to perfect the first, priority security interest hereby granted by District to Corporation in the cash and negotiable instruments from time to time held in the Escrow Fund, Corporation hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby

accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of Corporation.

2. On such day as determined to the mutual satisfaction of the parties (the "Commencement Date"), Corporation shall deposit with the Escrow Agent cash in the amount of the Deposit Amount to be held by the Escrow Agent on the express terms and conditions set forth herein. The Escrow Agent agrees to accept the deposit of the Deposit Amount by Corporation with the Escrow Agent, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.

3. The Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments held in the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Corporation).

4. District hereby directs the Escrow Agent to invest the cash held in the Escrow Fund from time to time in a Community Business Bank non-interest bearing demand deposit account with no fees or costs (as more particularly described in Schedule B hereto, the "*Permitted Investment*") or, in the event such fund is not at the time available, such other investments as District may specify in writing, to the extent the same are at the time legal for investment of the funds being invested. Interest or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be deposited in and become a part of the Escrow Fund. No investment shall be made that would cause the Purchase Agreement to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

5. Corporation and District hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:

   a. From time to time, the Escrow Agent shall pay the vendor or manufacturer of the 2015 Project payments then due and payable, or reimburse District for amounts that it has paid to the vendor or manufacturer of the 2015 Project, upon receipt of the following: (a) a duly executed Certificate of Acceptance and Payment Request in the form attached as Exhibit A hereto, (b) the vendor(s) or manufacturer(s) invoice(s) specifying the acquisition price of the 2015 Project described in the requisition request, and (c) any additional documentation required by Corporation.

   b. On the Commencement Date, the Escrow Agent shall pay to Holman Capital Corporation a documentation fee in the amount of $5,000.00, pursuant to the wire instructions contained in the invoice of the Corporation. Escrow Agent will not receive a fee with respect to the ordinary services it provides under this Escrow Agreement, but shall be entitled to reimbursement for all extraordinary services, investments and actions taken in connection herewith.

   c. If Corporation provides to the Escrow Agent written notice of the occurrence of an Event of Default or breach of any term, condition or covenant by District under the Purchase Agreement, the Escrow Agent shall thereupon promptly remit to Corporation the entire balance of the Escrow Fund.

d. Upon receipt by the Escrow Agent of a duly executed Certificate of Acceptance and Payment Request identified as the final such request, the Escrow Agent shall transfer the then remaining balance of the Escrow Fund to District, upon the express condition that District hereby agrees to use such excess amount solely for capital expenditures as shall be approved by District or, at the written direction of District, for application against the interest component of the District's payment obligation under the Purchase Agreement, as provided therein, unless otherwise agreed by Corporation.

6. The Escrow Agent shall have no liability for acting upon any written instruction presented by District and Corporation in connection with this Escrow Agreement that the Escrow Agent in good faith believes to be genuine. Furthermore, the Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own gross negligence, willful misconduct, or bad faith. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made pursuant to Section 4.

7. To the extent authorized by law, District hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder and that are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct, or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.

8. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to District and Corporation, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Corporation and District. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by Corporation and District. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Corporation and District. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Corporation, District and the predecessor Escrow Agent.

   Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by Corporation and District.

9. This Escrow Agreement shall terminate upon receipt by the Escrow Agent of the written notice from Corporation specified in Section 5(c) or Section 5(d) hereof.

10. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date or receipt.

11. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Corporation and District.

12. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification, or change of terms hereof shall bind any party unless in writing signed by all parties.

13. The Escrow Agent may employ agents, attorneys and accountants in connection with its duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants, or other skilled persons.

14. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

CORPORATION:
HOLMAN CAPITAL CORPORATION

By: _____
Lance S. Holman
President &CEO

DISTRICT:
RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT

By: _____
Duane Anderson
Board President

ESCROW AGENT:
COMMUNITY BUSINESS BANK

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

CERTIFICATE OF ACCEPTANCE AND PAYMENT REQUEST

The following payment request is directed to Community Business Bank (the *"Escrow Agent"*), as escrow agent under that certain Escrow Agreement dated July 23, 2015 (the *"Escrow Agreement"*), between the Rio Linda/Elverta Community Water District (*"District"*), Holman Capital Corporation (*"Corporation"*), and the Escrow Agent. Because Holman Capital Corporation has assigned all of its right, title, and interest in and to the Escrow Agreement to the Community Business Bank, all references herein to "Corporation" shall mean Community Business Bank.

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under the Escrow Agreement the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to District). The portion of the 2015 Project described below is part or all of the 2015 Project financed pursuant to that certain Installment Purchase Agreement july 23, 2015 (the *"Purchase Agreement"*), between Corporation and District:

QUANTITY	DESCRIPTION OF 2015 PROJECT	AMOUNT	PAYEE

District hereby certifies and represents to and agrees with Corporation as follows with respect to the 2015 Project described above: (i) the 2015 Project has been delivered to the location(s) set forth in the Purchase Agreement; (ii) a present need exists for the 2015 Project, which need is not temporary or expected to diminish in the near future; (iii) the 2015 Project is essential to and will be used by District only for the purpose of performing one or more governmental functions of District consistent with the permissible scope of District's authority; (iv) the estimated useful life of the 2015 Project based upon the manufacturer's representations and District's projected needs is not less than the term of the Purchase Agreement; (v) District has conducted such inspection and/or testing of the 2015 Project as it deems necessary and appropriate and hereby acknowledges that it accepts the 2015 Project for all purposes as of the date of this Certificate; (vi) the 2015 Project is covered by insurance in the types and amounts required by the Purchase Agreement; (vii) no Event of Default, as those terms are defined in the Purchase Agreement, and no event that with the giving of notice or lapse of time or both, would become an Event of Default, has occurred and is continuing on the date hereof; and (viii) sufficient funds have been appropriated by District for the payment of all Installment Payments due under the Purchase Agreement during District's current Fiscal Year.

Based on the foregoing, the Escrow Agent is hereby authorized and directed to fund the acquisition of the 2015 Project set forth above by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

The following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, designating Corporation as legal owner, and evidence of filing.

IF REQUEST IS FINAL REQUEST, CHECK HERE ☐. The undersigned hereby certifies that the items of 2015 Project described above, together with the items of 2015 Project described in and accepted by Certificates of Acceptance and Payment Requests previously filed by District with Corporation

constitute all of the 2015 Project subject to the Purchase Agreement.

Date: _____

Approved:

COMMUNITY BUSINESS BANK, as Corporation	RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT, as District
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

NOTICE AND ACKNOWLEDGEMENT OF
ASSIGNMENT OF ESCROW AGREEMENT

Holman Capital Corporation (*"Corporation"),* Rio Linda/Elverta Community Water District *("District"),* and Community Business Bank *("Escrow Agent")* have entered into an Escrow Agreement dated July 23, 2015 (the *"Escrow Agreement"),* pursuant to which Corporation has deposited cash into the Escrow Fund established thereunder, which funds are to be used by District to pay the Issuance Costs and acquire/complete the 2015 Project.

Escrow Agent is hereby notified that Corporation has assigned all of its right, title, and interest in and to, but not its obligations under, the Escrow Agreement to Communtiy Business Bank ("*Assignee*"), including, in particular, but without limitation, Corporation's security interest in the Escrow Fund and Corporation's right to approve all payment requests submitted by District.

Date: July 23, 2015

HOLMAN CAPITAL CORPORATION, as
Lessor

By: _____
Lance Holman, President & CEO

Acknowledged:

COMMUNITY BUSINESS BANK

By: _____
Authorized Representative

ASSIGNMENT AGREEMENT

between the

HOLMAN CAPITAL CORPORATION

and

COMMUNITY BUSINESS BANK

Dated: July 23, 2015

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT, dated July 23, 2015 (the "Assignment Agreement"), made by the Holman Capital Corporation, a corporation duly organized and validly existing under the laws of the State of Delaware (the "Corporation"), and accepted by Community Business Bank and affiliates (the "Investor"):

WITNESSETH:

WHEREAS, the Corporation and the Rio Vista/Elverta Community Water District (the "Issuer") have executed and entered into the Installment Purchase Agreement dated July 23, 2015 (together with all certificates and closing documents thereto, the "IPA"), whereby the Corporation has agreed to finance for the Issuer the items of real and/or personal property (together with any replacement parts, additions, substitutions, repairs or accessories now or hereafter incorporated in or affixed to it) described therein (collectively, the "Equipment");

WHEREAS, under and pursuant to the IPA, the Issuer is obligated to make Installment Payments, as defined therein, to the Corporation for the IPA of the Equipment;

WHEREAS, the Corporation desires to assign without recourse all of its rights to receive the Installment Payments scheduled to be paid by the Issuer under and pursuant to the IPA to the Investor;

WHEREAS, in consideration of such assignment, the Investor shall deliver/deposit $512,346.62.00 into an escrow account at Community Business Bank created pursuant to the Escrow Agreement dated July 23, 2015 between the Corporation, the Issuer and Community Business Bank, as escrow agent (the "Escrow Agreement") for the benefit of the Issuer and the Investor (as assignee of the Corporation) in satisfaction of the Corporation's obligations under the IPA (the "Escrow Fund"), and $12,511.62 to the Corporation; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Assignment Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law and the parties hereto are now duly authorized to execute and enter into the Assignment Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

Section 1. Assignment. The Corporation hereby transfers, assigns and sets over to the Investor all of the Corporation's rights, title and interest in and to, but not its obligations under,

(a) the IPA and all certificates and exhibits thereto, including, in particular, but without limitation:

(1) the right to receive and collect all of the Installment Payments and other amounts due from the Issuer under the IPA;

(2) the right to take all actions and give all consents under the IPA; and

(3) the right to exercise such rights and remedies conferred on the Corporation pursuant to the IPA as may be necessary or convenient (i) to enforce payment of the Installment Payments

or any other obligations of the Issuer under the IPA, or (ii) otherwise to protect the interests of the Investor (as assignee of the Corporation) in the event of default by the Issuer under the IPA;

(b) the Escrow Agreement, and all amounts credited to the Escrow Fund;

(c) all other contracts and documents related to the IPA, including (without limitation) those listed on the attached Schedule A (all of the foregoing together with the IPA and Escrow Agreement being collectively referred to herein as the "IPA Documents"); and

(d) all other collateral described in the IPA Documents. The IPA, the Escrow Agreement, the IPA Documents, and the Equipment and all of the Corporation's rights therein are hereinafter collectively referred to as the "Assigned Property."

Section 2. Acceptance. The Investor hereby accepts the foregoing assignment. The above assignment is intended to be an absolute and unconditional assignment to the Investor and is not intended as a loan by the Investor to the Corporation. Accordingly, in the event of bankruptcy of the Corporation, the Assigned Property and the Escrow Fund shall not be part of the Corporation's estate. However, if the above assignment is deemed to be a loan by the Investor to the Corporation, then the Corporation shall be deemed to have granted to the Investor, and hereby grants to the Investor, a continuing first priority security interest in the Assigned Property and the Escrow Fund and all proceeds thereof as collateral security for all obligations of the Corporation hereunder and all obligations of the Issuer under the IPA, the Escrow Agreement, and this Assignment Agreement shall be deemed a security agreement with respect to such loan.

Section 3. Representations, Warranties, and Agreements. (A) The Corporation represents and warrants to and agrees with the Investor that:

(a) the Corporation is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware, with corporate powers and authority to own its property and carry on its business as now being conducted. The Corporation has all licenses (except where the failure to have such licenses would not have a material adverse effect on the Corporation or on Investor's ability to enforce the IPA Documents and its rights and remedies thereunder) necessary to own its property and carry on its business as now being conducted;

(b) the Corporation has full power, authority and legal right to enter into and perform its obligations under the IPA, the Escrow Agreement and this Assignment Agreement and the execution, delivery and performance thereof have been duly authorized by all necessary corporate actions on the part of the Corporation, do not require any stockholder approval or the approval or consent of any third party or such required approvals and consents have heretofore been duly obtained;

(c) the execution, delivery and performance of the IPA, the Escrow Agreement and this Assignment Agreement do not contravene any provision of the Articles of Incorporation or Bylaws or the Corporation and do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Corporation is a party or by which it or its property is bound;

(d) the Corporation has good title to the IPA and the Escrow Agreement and good right to sell and transfer the same;

(e) assuming due and valid execution on the part of the Issuer, the IPA is a valid obligation

arising out of a bona fide loan to the Issuer in the ordinary course of business;

(f) the IPA Documents contain or describe the entire agreement and all material documents made or given in connection with the IPA and Escrow Agreement, and no representations or inducements not contained in the IPA Documents have been made or given by the Corporation;

(g) the original counterpart of the IPA constituting chattel paper has been (or will be on a post-closing basis) delivered to the Investor, there are no other executed counterparts thereof, and, by virtue of our delivery of the IPA by the Corporation to the Investor, the Investor has obtained title to the IPA;

(h) the Assigned Property and the Escrow Fund is free of any liens, claims, encumbrances, defenses, offsets and counterclaims, real or claimed created by or arising through the Corporation, except those created by the IPA itself;

(i) all statements of fact and unpaid balances shown in the IPA are true and correct;

(j) the IPA, the Escrow Agreement, and this Assignment Agreement have been duly authorized, executed and delivered by the Corporation, are in full force and effect and constitute the legal, valid and binding obligations of the Corporation enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights of creditors generally and subject to the availability of equitable remedies;

(k) to the best of the Corporation's knowledge and based, in part, on the representations of the Issuer and its counsel, the Corporation has complied, and the IPA complies, with all applicable Federal, State and municipal laws, rules or regulations having the force of law as the same are applicable to the Corporation and/or the transactions evidenced by the IPA Documents;

(l) the Issuer has no right to prepay except as expressly provided in the IPA;

(m) upon execution and delivery of this Assignment Agreement and the due and timely filing of a UCC-1 by the Investor, the Investor will have free and unencumbered title to, or a valid and enforceable first security interest in, the Equipment, however, the Investor will, in all cases, be responsible for its own UCC filings;

(n) the Corporation has subordinated to the Investor all liens and/or encumbrances (statutory and/or otherwise), if any, that the Corporation may have acquired and/or asserted against the Equipment or other collateral described in the IPA;

(o) the IPA Documents, Equipment and all other collateral and documents that are the subject of this Assignment Agreement have not been and will not be pledged, assigned or otherwise encumbered by Corporation to any person other than the Investor;

(p) the Corporation shall have no authority to and will not, without the Investor's prior written consent, accept payment of any sum hereafter due under the IPA or Escrow Agreement, repossess or consent to the return of the Equipment or modify the terms of any IPA Document;

(q) the Investor may, in the name of the Corporation, endorse any remittances received with respect to the IPA or Escrow Agreement;

(r) the Investor is given express permission to release, on terms satisfactory to it or by operation of law or otherwise, or to compromise or adjust any and all rights against and grant extensions of time of payment to the Issuer or any other persons obligated on the IPA Documents or accompanying guarantee or surety contracts, if any, or to agree to substitution of such persons, or to agree to the substitution or release of the Project or equipment or other collateral, or to grant any other indulgences, without affecting the obligations of the Corporation hereunder, provided that such actions are made in good faith and in a commercially reasonable manner;

(s) the Corporation has the requisite authority to execute and deliver this Assignment Agreement and has taken all necessary action to effect this Assignment Agreement. In the event of a default by the Issuer under the IPA, the Investor shall have the unrestricted right to exercise all applicable rights or remedies set forth in the IPA and to apply any monies contained in the Escrow Fund, subject only to the provisions of the IPA Documents, all applicable laws, and the Uniform Commercial Code;

(t) to the best of the Corporation's knowledge, there is no dispute between the Issuer and any vendor of Project or any equipment relating to the performance of such vendor under its contract to manufacture, deliver or furnish Project or equipment. The Issuer has not failed to accept, or failed to provide a certificate of acceptance with respect to, any part of the Project or equipment delivered to it; and

(u) assuming due and valid execution by the Issuer, the IPA is in full force and effect, there is currently no default in payments to be made by the Issuer pursuant thereto, the Issuer has asserted no set-off, counterclaim or defense with respect to its obligations to perform in accordance with the terms of the IPA, and to the best of the Corporation's knowledge there has been no default in the performance of any other material obligation thereunder or breach of any other material term therein by the Issuer.

(B) Indemnification. If the Corporation materially breaches any of the representations and agreements herein contained and, in the case of a breach that cannot be remedied in the Investor's reasonable opinion, such breach remains unremedied for at least 30 days after the Corporation receives written notice thereof from the Investor, the Corporation will indemnify and hold the Investor harmless from any loss, damage or expense (including but not limited to reasonable attorney fees and the expenses of collection, repossession, transportation, storage and insurance in enforcing its rights under the IPA Documents or hereunder, but excluding incidental or consequential damages) incurred by the Investor as a result of the breach of representation or agreement. Any sum not paid by the Corporation to the Investor when due will accrue late charges at the rate of 18% per annum, but only to the extent permitted by law. The obligations set forth in this section shall be limited to the amount paid to the Corporation by the Investor for the assigned transaction.

Section 4. Covenants. (A) Nonimpairment of IPA. The Corporation agrees that it (1) shall not have any right to amend, modify, compromise, refinance, terminate or permit prepayment of any IPA Document, and (2) shall not take any action that may impair the payment of Installment Payments or other amounts due under the IPA or the validity or enforceability of any IPA Document.

(B) Installment Payments. If the Corporation receives any Installment Payments or other amount due under the IPA Documents, then the Corporation shall receive such payments in trust for the Investor and shall immediately deliver the same to the Investor in the form received, duly endorsed by the Corporation for deposit by the Investor.

(C) Delivery of IPA Documents. On the date of this Assignment Agreement (except as otherwise

noted herein), the Corporation shall deliver to the Investor, each in form and substance acceptable to the Investor: (i) the original IPA (and all attachments and exhibits thereto), (ii) an original Escrow Agreement (and all attachments and exhibits thereto), (iii) an authorizing resolution (or similar document) from the Issuer's governing body, (iv) a legal opinion from Issuer's Counsel, (iv) an original assignment agreement with respect to the Escrow Agreement, (v) proof of the Issuer's insurance as required by the terms of the IPA, and (vi) a copy of the IRS Form 8038-G filing with respect to the IPA and, within 10 days after the date of this Assignment Agreement evidence of timely filing thereof.

(D) Further Assurances. The Corporation shall execute and deliver to the Investor such documents, in form and substance reasonably satisfactory to the Investor, and the Corporation shall take such other actions, as the Investor may reasonably request from time to time to evidence, perfect, maintain, and enforce the Investor's rights in the Assigned Property and/or to enforce or exercise the Investor's rights or remedies under the IPA and Escrow Agreement.

Section 5. Partial Invalidity. If any one or more of the terms, provisions, covenants, or conditions of this Assignment Agreement shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provision, covenants and conditions of this Assignment Agreement shall be affected thereby, and each provision of this Assignment Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 6. Execution in Counterparts. This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute but one and the same instrument.

Section 7. Definitions. Unless the context otherwise requires, capitalized terms used herein shall have the meanings specified in the IPA.

Section 8. Applicable Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 9. Judicial Reference. In lieu of a jury trial, the parties elect to proceed under this Judicial Reference Provision. With the exception of the items specified below, any controversy, dispute or claim between the parties relating to this Agreement or any other document, instrument or transaction between the parties ("Claim"), will be resolved by a reference proceeding in California pursuant to Sections 638 et seq., of the California Code of Civil Procedure, or the successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to reference. Venue for the reference will be Superior Court in the County where real property involved in the action, if any, is located or in the County where venue is otherwise appropriate under law (the "Court"). The following matters shall not be subject to reference: (i) nonjudicial foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including without limitation set-off), (iii) appointment of a receiver, and (iv) temporary, provisional or ancillary remedies (including without limitation writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). The exercise of, or opposition to, any of the above does not waive the right to a reference hereunder.

The referee shall be selected by mutual agreement of the parties. If the parties do not agree, upon request of any party a referee shall be selected by the Presiding Judge of the Court. The referee shall determine all issues in accordance with existing case law and statutory law of the State of California, including without limitation the rules of evidence applicable to proceedings at law. The referee is empowered to enter equitable and legal relief, and rule on any motion which would be authorized in a court

proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision, and pursuant to CCP § 644 the referee's decision shall be entered by the Court as a judgment or order in the same manner as if tried by the Court. The final judgment or order from any decision or order entered by the referee shall be fully appealable as provided by law. The parties reserve the right to findings of fact, conclusions of law, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial if granted, will be a reference hereunder. AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE EACH PARTY AGREES THAT ALL CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT A JURY.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Assignment Agreement by their officers thereunto duly authorized as of the day and year first referenced above.

COMMUNITY BUSINESS BANK
Investor

By:_____
Name: Dianne Bryant
Title: VP/Loan Servicing Manager

HOLMAN CAPITAL CORPORATION
Corporation

By:_____
Name: Lance S. Holman
Title: President & CEO

SCHEDULE A TO ASSIGNMENT AGREEMENT

ASSIGNMENT FROM: Holman Capital Corporation

TO: Community Business Bank

The IPA Documents covered by the annexed Assignment covering the IPA transaction with Rio Linda/Elverta Communicty Water District include (without limitation) the following:

Installment Purchase Agreement dated July 23, 2015, between Rio Linda/Elverta Community Water District and Holman Capital Corporation;

Escrow Agreement dated July 23, 2015, between Holman Capital Corporation, Rio Linda/Elverta Community Water District, and Community Business Bank, together with any original Certificates of Acceptance and Payment Request Forms delivered in connection therewith as of the date of the Assignment Agreement.

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ **Under Internal Revenue Code section 149(e)**
▶ **See separate instructions.**
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name
Rio Linda/Elverta Community Water District

2 Issuer's employer identification number (EIN)

3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)

3b Telephone number of other person shown on 3a
68-0107697

4 Number and street (or P.O. box if mail is not delivered to street address) — Room/suite
P.O. Box 400

5 Report number *(For IRS Use Only)*
3 [redacted]

6 City, town, or post office, state, and ZIP code
Rio Linda, CA 95673

7 Date of issue
July 23, 2015

8 Name of issue
Installment Purchase Agreement

9 CUSIP number
None

10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)
Mary Henrici, General Manager

10b Telephone number of officer or other employee shown on 10a
916-991-8891

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17	$512,346	62
18	Other. Describe ▶	18		
19	If obligations are TANs or RANs, check only box 19a ▶ ☐ If obligations are BANs, check only box 19b ▶ ☐			
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/23/25	$ $512,346.62	$ $499,835.00	5.3709 years	2.6000 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22		
23	Issue price of entire issue (enter amount from line 21, column (b))			23		
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	$17,511 62			
25	Proceeds used for credit enhancement	25				
26	Proceeds allocated to reasonably required reserve or replacement fund	26				
27	Proceeds used to currently refund prior issues	27				
28	Proceeds used to advance refund prior issues	28				
29	Total (add lines 24 through 28)			29	$17,511	62
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	494,835	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b	Enter the final maturity date of the GIC ▶			
c	Enter the name of the GIC provider ▶			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Signature of issuer's authorized representative Date

▶ **Duane Anderson , Board President**
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ Firm's EIN ▶

Firm's address ▶ Phone no.

Items for Discussion and Action
Agenda Item: 4.6

Date: July 20, 2015

Subject: Succession Planning

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends creating a succession plan to the full Board.

Current Background and Justification:

In the past this District has simply fired the manager and hired another without any transition period between staff members. This lack of planning caused many problems for the District which took years to correct. These problems included compliance orders that were not corrected, OSHA violations that were not corrected and Grand Jury investigations. The District does not currently have a succession plan in place.

If the Manager were to suddenly leave the District it is recommended:

1. The Board hold an emergency meeting.
2. Request the District Engineer step in as Interim Manager for a period not to exceed 90 days.
3. Immediately fly the position on several sites such as Regional Water Authority, California Special Districts Assoc., American Water Works Assoc. and/or hire a firm that specializes in Executive hiring.
4. Form an ad hoc committee to vet the new hire and report to the full Board.

The General Manager has reported to the Board that she will be leaving on June 15, 2016. In a perfect world there would be an Assistant Manager in an agency of this size and complexity that would be groomed for the position. As there is no Assistant Manager and no one on staff that is qualified for the position I would propose the Board consider the following direction:

Start looking for qualified applicants in November 2015.

Finish hiring process by February 2016
Bring person on staff to work beside the current manager for 4 months in order for there to be a smooth transition in leadership.

The reasoning behind the 4 month transition period is many of the groups we are working with only meet once every 2 or three months while others meet monthly. It will take quite a bit of time for a new person to learn about all of the organizations, who is involved with each organization and how they interrelate with our projects. The District is in the middle of a very aggressive capital improvement plan, including Chromium 6 remediation and surface water supply projects. There are also many memberships, passwords and other items that will need to be transferred to the new Manager.

The District needs to implement a succession plan not only for this transition, but for others in the future. The Finance & Administrative Committee requested the GM to provide a list of agencies and their contacts to assist the next GM.

Conclusion:

A Succession Plan is recommended for the District.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (**Abs) Abs**ent

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date 7/20/15

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

Succession Planning

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning 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 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

Items for Discussion and Action
Agenda Item: 4.7

Date: July 20, 2015

Subject: Payment Arrangements

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends the Board approve the revised Payment Arrangement Policy.

Current Background and Justification:

The payment arrangement form offered to our customers was designed as a means to allow extra time to make payment without being penalized when the customer is experiencing a financial hardship. However, it is being misused by some customers repeatedly as a continuous alternate payment plan and not what it was designed for. The revised policy is limiting the number of payment arrangements a customer can have within a calendar year.

Staff requests that a limit of 2 payment arrangements be allowed per year per customer. Legal has said that setting a limit on the number of payment arrangements is acceptable. Please see the attached revised wording.

Conclusion:

Staff is requesting this change due to the tracking and follow up that is required by staff to offer this service to our customers.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.7

Date

Initial Potential Meeting Date 7/20/15

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

Payment Arrangements

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review 7/2/15

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

GM Review 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

4.31.255 Payment Arrangements The District may offer up to (2) Payment Arrangements in a calendar year to customers experiencing a financial hardship. In order to qualify for a Payment Arrangement:

1. The customer must be in good standing with previous Payment Arrangements over the past 12 months.

2. The Payment Arrangement must not extend past the current billing cycle, unless approved by the General Manager.

3. A portion of the bill must be paid at the time of the Payment Arrangement.

1. After the District provides the ten (10) day notice of late payment and shut-off pursuant to section 4.31.280 of this policy and section 60371 of the Government Code, the actual user of the services may submit an application with the District to become a customer for water services. Reasonable efforts will be made to confirm the Property Owner's consent to this arrangement. The applicant will be required to provide District with a current lease agreement and proof of timely payment of rent for the month immediately preceding the date of application.

The General Manager or authorized personnel may sign and approve the Payment Arrangement form. The Payment Arrangement form must be signed and received at the District office prior to disconnection of service. If the Payment Arrangement is being requested by the Occupant of a residence who is not the Owner, it must be signed by the Property Owner or have the Owners verbal approval to be valid.

The Customer's failure to comply with a Payment Arrangement as agreed shall result in:

1. The Payment Arrangement being cancelled and rendered null and void.

2. The total outstanding balance will become immediately due and payable in full.
   A **Turn- Off Notice tag** will be posted at the property, and the account charged an additional **Turn Off Notice tag fee** per the District's current fee Ordinance.

3. **Failure to pay the amount due** listed on the notice will result in water service to the property **being disconnected on t**he date specified on the Turn-Off Notice. In the event water service is turned off, it will not be reinstated until the full account balance, and an additional **Service Turn-Off/Turn-On Fee** per the District's current fee Ordinance, is paid.

4. The District reserves the right to deny future Payment Arrangements.

4.31.255 Payment Arrangements The District may offer up to two (2) Payment Arrangements in a calendar year to customers experiencing a financial hardship. In order to qualify for a Payment Arrangement:

1. The customer must be in good standing with previous Payment Arrangements over the past 12 months.

2. The Payment Arrangement must not extend past the current billing cycle, unless approved by the General Manager.

3. A portion of the bill must be paid at the time of the Payment Arrangement.

2. After the District provides the ten (10) day notice of late payment and shut-off pursuant to section 4.31.280 of this policy and section 60371 of the Government Code, the actual user of the services may submit an application with the District to become a customer for water services. Reasonable efforts will be made to confirm the Property Owner's consent to this arrangement. The applicant will be required to provide District with a current lease agreement and proof of timely payment of rent for the month immediately preceding the date of application.

The General Manager or authorized personnel may sign and approve the Payment Arrangement form. The Payment Arrangement form must be signed and received at the District office prior to disconnection of service. If the Payment Arrangement is being requested by the Occupant of a residence who is not the Owner, it must be signed by the Property Owner or have the Owners verbal approval to be valid.

The Customer's failure to comply with a Payment Arrangement as agreed shall result in:

5. The Payment Arrangement being cancelled and rendered null and void.

6. The total outstanding balance will become immediately due and payable in full.
   A **Turn- Off Notice tag** will be posted at the property, and the account charged an additional **Turn Off Notice tag fee** per the District's current fee Ordinance.

7. **Failure to pay the amount due** listed on the notice will result in water service to the property **being disconnected on t**he date specified on the Turn-Off Notice. In the event water service is turned off, it will not be reinstated until the full account balance, and an additional **Service Turn-Off/Turn-On Fee** per the District's current fee Ordinance, is paid.

8. The District reserves the right to deny future Payment Arrangements.

Items for Discussion and Action
Agenda Item: 4.8

Date: July 20, 2015

Subject: Policy Manual

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends the Board approve the Policy Manual.

Current Background and Justification:

The Board had determined that it would be better to separate the Personnel items from the District's Policy Manual. After the completion of the Personnel Handbook, the Policy Manual was then sent for review to the attorney for completeness. Language in Resolutions 2015-02 and 2015-03 is included in the Policy Manual. Proposed language provided at this meeting for the payment arrangement policy is also included.

Conclusion:

The Policy Manual is a working document that will need to be updated from time to time as policies change. Staff and the Finance & Administrative Committee recommend that the new Policy Manual be approved.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.8

Date

Initial Potential Meeting Date 7/20/15

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

Policy Manual

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review 6/26/15

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

GM Review 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

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RIO LINDA/ELVERTA

COMMUNITY WATER DISTRICT

POLICY MANUAL

07-20-15

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Title 1
GENERAL PROVISIONS

Chapters:

1.01 ESTABLISHMENT OF MANUAL
1.03 DEFINITIONS
1.05 MISSION STATEMENT AND GOALS

Chapter 1.01
ESTABLISHMENT OF MANUAL

(Amended August 15, 2005)

Sections:

1.01.010 Purpose
1.01.020 Title, Citation and Reference
1.01.030 Validity of Policy
1.01.040 Scope of Authority Conferred
1.01.050 Interpretation and Use
1.01.060 Adoption/Amendment of Policies.

1.01.010 Purpose. It is the intent of the Board of Directors of the Rio Linda/Elverta Community Water District ("District") to maintain a Policy Manual. Contained therein shall be a comprehensive listing of the Board's current policies, being the rules and regulations enacted by the Board from time to time. The Policy Manual will serve as a resource for Directors, staff and members of the public in determining the manner in which matters of District business are to be conducted.

1.01.020 Title, Citation and Reference. This Manual shall be known as the "Rio Linda/Elverta Community Water District Policy Manual", and may be cited as and referred to herein as "Policy Manual". It shall be sufficient in the conduct of official activity of the District, its departments and officials to refer to this Policy Manual and its sections, as numbered herein, in lieu of referring to the ordinance, resolution or order establishing the policy contained and compiled herein. It shall be deemed sufficient when amending, repealing or adding to any policy contained herein to refer to this Policy Manual or to sections herein.

1.01.030 Validity of Policy. If any policy or portion of a policy contained within this Policy Manual conflicts with any rules, regulations or legislation having authority over the District, said rules, regulations or legislation shall control. Any District policy not contained herein shall not be invalid solely because it is not contained in this Policy Manual.

Policies found to be invalid and policies not contained herein may be brought to the Board's attention by the Board Secretary, the General Manager, any Board member, or any other person, and may be scheduled for review and action on the agenda pursuant to the procedures in Section 1.01.060.

1.01.040 Scope of Authority Conferred. The Board may adopt, amend, or repeal policies or regulations contained within this Policy Manual. This Policy Manual does not confer additional authority or

limit the existing authority of the Board, any commission, department, or official to administer or enforce any regulation contained herein.

1.01.050 Interpretation and Use. Interpretation and use of this Policy Manual should be made only in conjunction with the underlying law permitting the establishment of the policy contained herein.

1.01.060 Adoption/Amendment of Policies. (*Amended Resolution 2012-10*) Consideration by the Board of Directors to adopt a new policy or to amend or repeal an existing policy may be initiated by submitting a written draft of the proposed action to the General Manager, the Board Secretary, or the Board President, and requesting that the item be included for consideration on the agenda at the next Board meeting.

Adoption of a new policy, or the repeal or amendment of an existing policy shall be accomplished at a Board meeting and shall require a majority affirmative vote of the entire Board.

Before considering any policy action, copies of the proposed action and associated documents shall be included in the agenda information packet distributed to Directors and made available to the public at least three (3) days prior to any meeting at which the action(s) are to be considered.

Notwithstanding the preceding sentence, the Board may add items to its agenda to consider a policy action if such action complies with the Ralph M. Brown Act *(Government Code §54950 et seq.)*

Chapter 1.03
DEFINITIONS

(Amended August 15, 2005)

Sections:

1.03.010 GENERAL
1.03.020 Board, or Board of Directors
1.03.030 County
1.03.040 District
1.03.050 Employee
1.03.130 Manager, or General Manager
1.03.150 Oath
1.03.155 Officer
1.03.190 Secretary, or Secretary of the Board
1.03.195 State
1.03.230 Water Works
1.03.235 Water Works System, or Water System

1.03.010 General. For purposes of this Policy Manual, certain terms, phrases, words and their derivatives shall be construed as specified in this chapter, unless otherwise indicated in this Policy Manual. Words used in the singular include the plural and the plural the singular. Words used in the masculine gender include the feminine and in the feminine gender the masculine. Words used in the present tense include the past and the future tenses and vice versa, unless manifestly inapplicable.

1.03.020 Board, Directors, or Board of Directors. For purposes of this Policy Manual, "Board" or "Board of Directors" shall mean the Board of Directors of the Rio Linda/Elverta Community Water District.

1.03.030 County. For purposes of this Policy Manual "County" shall mean the County of Sacramento.

1.03.040 District. For purposes of this Policy Manual, "District" shall mean the Rio Linda/Elverta Community Water District.

1.03.050 Employee. For purposes of this Policy Manual, "Employee" shall mean an employee of the Rio Linda/Elverta Community Water District, excepting officers of the District unless otherwise indicated.

1.03.130 Manager, or General Manager. For purposes of this Policy Manual, "Manager" or "General Manager" shall mean the General Manager of the Rio Linda/Elverta Community Water District.

1.03.150 Oath. For purposes of this Policy Manual "Oath" includes an affirmation or declaration in all cases in which, by law, an affirmation may be substituted for an oath, and in such cases, the words "swear" and "sworn" shall be equivalent to the words "affirm" and "affirmed."

1.03.155 Officer. For purposes of this Policy Manual, "officer" includes members of the Board, the General Manager, the Secretary of the Board, the Auditor, the General Counsel of the District, other legal counsel retained by the Board, and other persons designated by the Board.

1.03.160 Policy Manual. For the purposes of this policy manual, "Policy Manual" or "Manual" shall mean the official policy manual of the District, as set forth herein and as may be amended from time to time by the District.

1.03.190 Secretary or Secretary of the Board. For purposes of this Policy Manual, "Secretary" or "Secretary of the Board" shall mean the General Manager of the Rio Linda/Elverta Community Water District unless otherwise specified by the Board of Directors.

1.03.195 State. For purposes of this Policy Manual "State" shall mean the State of California.

1.03.230 Water Works. For purposes of this Policy Manual, "water works" shall mean facilities necessary to the supply, pumping, storage, treatment and distribution of water.

1.03.235 Water Works System or Water System. For purposes of this Policy Manual, "water works system" or "water system" shall mean the water works and all facilities and equipment necessary for the administration and operation thereof.

Chapter 1.05
MISSION STATEMENT AND GOALS

(Amended July 16, 2012 Res. 2012-13)

Sections:

1.05.010 Purpose
1.05.020 Mission Statement
1.05.030 Goals

1.05.010 Purpose. The purpose of the District mission statement and related goals are to provide general guidelines within which District policy shall be developed and implemented.

1.05.020 Mission Statement. The mission of the Rio Linda/Elverta Community Water District is to provide, in a manner responsive to District customers, a water supply that is adequate, safe, and potable (according to state and federal standards) and that meets both current and future needs.

1.05.030 Goals. The goals of the District are as follows:

1. Supply water to existing and future customers in a cost-effective manner while operating the District in a financially sound manner;

2. Maintain existing wells and storage in a manner that meets generally accepted water works standards and develop new wells and storage to meet peak flow demands and emergency needs;

3. Establish a responsive and cordial relationship with customers that include effective communications and notification regarding the affairs and operations of the District;

4. Complete and maintain a long-range plan for the water system;

5. Develop and maintain written policies, procedures, and specifications;

6. Establish a fiscally sound equipment replacement fund;

7. Participate in interagency cooperation in a manner that encourages respect between the agencies, including such cooperative activities as development of alternative water supplies, cooperative purchasing, mutual aid agreements and water system; and

8. Develop and implement an effective water conservation program.

Title 2
ADMINISTRATION AND PERSONNEL

Chapters:

2.01 BOARD OF DIRECTORS
2.05 APPOINTED OFFICERS
2.10 GENERAL MANAGER
2.20 COMPENSATION OF OFFICERS
2.30 CONFLICT OF INTEREST CODE
2.40 RECORDS RETENTION POLICY
2.50 ELECTRONIC RECORDS RETENTION POLICY
2.60 INFORMATION TECHNOLOGY SECURITY POLICY
2.70 IDENTITY THEFT POLICY
2.80 PUBLIC RECORDS ACT REQUEST POLICY

Chapter 2.01
BOARD OF DIRECTORS

(Amended August 15, 2005)

Sections:

2.01.000 Directors
2.01.100 Board Proceedings
2.01.200 Conduct of Hearings
2.01.300 Press Relations Policy
2.01.400 Compliance and Enforcement

2.01.000 DIRECTORS

2.01.005 Governing body of the District. *(See Ca Water Code §30575 and §30576)* The Board is the governing body of the District. Directors are responsible for monitoring the District's progress in financing and attaining its goals and objectives, while pursuing its mission. The powers of the District enumerated in California Water Code Division 12 shall, except as therein otherwise provided, be exercised by the Board.

2.01.010 Number of Directors: Qualifications. *(See Ca Water Code §30500)* The District shall have a board of five Directors each of whom whether elected or appointed, shall be a voter in the District.

2.01.020 Terms of Office. *(See Ca Water Code §30502)* The term of office of each Director other than Directors first elected or Directors appointed to fill an unexpired term shall be four years.

2.01.025 Taking Office; Oath. *(See Ca Election Code §10554)* Directors elected to office take office at noon on the first Friday in December next following the General District Election. Prior to taking office, each Director shall take and subscribe the official oath and file it with the Secretary *(Ca Water Code §30509)*.

2.01.030 Determination of Vacancy. *(See Ca Gov Code §1770; Ca Water Code §30508)* An office of a Director of the Board shall be deemed to become vacant when one or more events as specified in California Government Code Sections 1770 et seq. or California Water Code Sections 30500 et seq. have occurred.

2.01.040 Vacancies: Manner of filling. *(See Ca Gov Code §1780)* All vacancies occurring in the office of Director shall be filled pursuant to California Water Code Section 30504 and California Government Code Section 1780.

2.01.050 Compensation of Directors. *(See Ca Water Code §30507 and Resolution 2002-12 adopted November 18, 2002)* Each director shall receive compensation in an amount determined by resolution of the Board not to exceed one hundred dollars ($100) for each day's attendance at meetings of the Board or for each day's service rendered as a Director by request of the Board, not exceeding a total of six days in any calendar month, together with any expenses incurred in the performance of his/her duties required or authorized by the Board.

2.01.055 Election of President and Vice President. *(See Ca Gov Code §30520)* At its regular meeting in December, the Board shall elect one of its members as President and one of its members as Vice President who shall hold office thereafter until their successors are elected and qualify. The election of the President and Vice President shall be by voice vote cast separately for each office with the member with the highest number of votes being deemed elected.

2.01.060 Duties of President and Vice President. *(See Ca Water Code §30578)* The President shall preside at all meetings of the Board and act as Chairperson of the Board, shall appoint all committee members as specified in section 2.01.080, and shall perform all other duties necessary or incidental to his/her office as authorized or imposed by the Board. In the absence of the President or because of the President's inability to act, the Vice President shall take his/her place and perform the duties of the President.

2.01.065 Committees and Other Assignments. The Board President shall appoint such standing and/or ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The President of the Board shall make all appointments of Directors to ad hoc and standing Committees. In addition, the President of the Board may designate Board members to represent the Board as needed.
1. The duties of a standing committee shall be determined at the time of appointment. Standing committees shall only be dissolved by majority vote of the Board.
2. The duties of an ad hoc committee shall be determined at the time of appointment and the committee shall be considered dissolved when its final report has been made.
3. If the Board President or the Board has created a standing committee, then the members of such committee shall be appointed for the year no later than the Board's regular meeting in January.
4. All meetings of standing committees shall conform to all open meeting laws (e.g., Ralph M. Brown Act) that pertain to regular meetings of the Board.

2.01.070 Requests for Information. Requests for information by Board members regarding District operations should be made through the General Manager or other designated District staff. The General Manager shall designate management or supervisory personnel to respond to inquiries in his/her absence.

2.01.075 Attendance at Meetings. Board members are expected to attend all regular and special meetings of the Board, including closed sessions, unless there is good cause for the absence or the absence is pre-approved by the President. A request for absence, except emergency absence, shall be submitted to the Board President in writing as soon as the Board Member becomes aware that he/she may be absent. Absences shall conform to the requirement of Government Code Section 1063 or other applicable law.

2.01.080 Ralph M. Brown Act. The Board as a whole and each Director shall comply with the Ralph M. Brown Act.

2.01.085 Code of Ethics. The Board of Directors is committed to providing excellence in legislative leadership that results in the provision of the highest quality of services to its constituents. The following rules should be observed in order to assist in the governance of the behavior between and among members of the Board of Directors.
1. Directors shall thoroughly prepare themselves to discuss agenda items. Information may be requested

pursuant to Section 2.01.090 or exchanged between Directors before meetings in a manner consistent with the Ralph M. Brown Act.

2. The dignity, style, values and opinions of each Director should be respected.
3. Responsiveness and attentive listening in communication is encouraged.
4. The needs of the District's constituents should be the priority of the Board of Directors.
5. When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive manner and route their questions through appropriate channels and to responsible management personnel.
6. The primary responsibility of the Board of Directors is the formulation and evaluation of policy and strategy to give direction and guidance to District staff. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.
7. Directors should commit themselves to emphasizing the positive, avoiding double talk, hidden agendas, gossip, backbiting, and other negative forms of interaction.
8. Directors should commit themselves to focusing on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.
9. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action Directors should commit to supporting said action and not to create barriers to the implementation of said action.
10. The work of the District is a team effort. All individuals should work together in the collaborative process, assisting each other in conducting the affairs of the District.
11. Directors should develop a working relationship with the General Manager wherein current issues, concerns, and District projects can be discussed comfortably and openly.
12. Directors should practice the following procedures while working with the General Manager, District staff, and District constituents;

(A) In seeking clarification on informational items, Directors may directly approach professional staff members to obtain information needed to supplement, upgrade, or enhance their knowledge to improve legislative decision-making.

(B) In handling complaints from residents and property owners of the District, said complaints should be referred directly to the General Manager or delegated District staff.

(C) In handling items related to safety, concerns for safety or hazards should be reported to the General Manager or to the District office. Emergency situations should be dealt with immediately by seeking appropriate assistance.

(D) When approached by District personnel concerning specific District policy, Directors should direct inquiries to the appropriate staff supervisor. The chain of command should be followed.

2.01.090 Email Accounts ***(added 12/6/2010)*** In order for the public to contact the Board of Directors each Director must establish an email account through the District's server. It is required that all Directors use their District email addresses instead of personal private email accounts for District business. An email account will be assigned to Board members as they take office.

2.01.100 BOARD PROCEEDINGS

2.01.110 Regular Meetings. (*amended with Resolution 2012-08 and 12/16/13 board meeting*) The regular meeting of the Board of Directors shall be held on the third Monday of each month except when the third Monday is a District, State or Federal holiday, in which case the regular meeting may be held on the second Monday of the month. Meetings shall commence at 6:30 p.m. unless otherwise noticed and shall be held at the Visitor Center located at 6730 Front Street, Rio Linda, or other location within the District.

2.01.130 Meetings to be Informal; Robert's Rules of Order. It is the intent of the Board that meetings shall remain as informal as reasonably possible consistent with the business needs of the District. Failure to comply with these rules shall not invalidate an otherwise lawful action of the Board. Nevertheless, whenever the President, or a majority of the Board, deems it necessary for the orderly conduct of business, formal proceedings may be initiated. In such case, the meeting shall be conducted pursuant to Robert's Rules of Order except as otherwise provided in this Chapter.

2.01.140 Posting Notice. *(Amended Resolution 2008-08)* Notices and other items required to be posted by law or Board direction shall be posted on bulletin board at 810 Oak Lane, Rio Linda, California 95673 in the window of the District Office, and on the District's website.

2.01.150 Agendas. *(Amended Resolution 2008-08, 3/30/09 minutes)* The Secretary shall prepare the agenda for the meeting containing a brief description of each agenda item and post it at least 72 hours prior to the regular Board meeting after consultation with the President. If a Board member twenty-four (24) hours prior to the posting of the agenda requests a matter be placed on an agenda, the Secretary shall include an item on the agenda to permit discussion of the matter, subject to approval by the President. Agendas for special Board meetings shall be posted at least twenty-four (24) hours prior to the meeting. The Board by majority vote, or as otherwise provided by law, may modify the agenda prior to proceeding to the consideration of the first matter. All matters shall be considered by the Board in the order listed on the agenda as posted or modified, to the extent of time available. No action may be taken on any matter which did not appear on the posted agenda except as permitted by State law. Agenda items not considered or completed at a meeting for lack of time may be continued and become agenda items at the following meetings in accordance with the forgoing policies.

2.01.160 Public Comment. An item shall be placed on each regular meeting agenda labeled "Public Comment" to provide citizens with an opportunity to express views on matters not otherwise on the agenda. Whether on this agenda item or on another item, such public expression shall be subject to the rules provided herein. No person may address the Board without the permission of the presiding officer, or a majority of the quorum, or as otherwise required by law. Except as required by law, the presiding officer may not recognize anyone other than a Board member or member of the Board staff until Board members have had the opportunity to ask staff questions. A person addressing the Board shall begin by offering his name and address. However, a person shall not be required to offer his name and address in order to comment. Each speaker shall limit his remarks to two (2) minutes, except as otherwise specifically provided for in these rules, or except as time is extended by the presiding officer with the consent of a majority. Each speaker shall avoid repetition of the remarks of prior speaker's and speak only to the agenda item under consideration. Following each speaker's remarks, each Board member shall be given the opportunity to comment further and to address questions to the speaker.

2.01.170 Form of Action. *(Amended Resolution 2008-08, Minute order June 17, 2013)* The Board may act through the enactment of an ordinance whenever appropriate. A minute order or resolution shall be adopted to amend, repeal or otherwise modify the Policy Manual. The meeting date that the modification was approved will be recorded in the corresponding section of the Manual.

2.01.175 Ordinances. *(Amended Resolution 2008-08)* An ordinance may be adopted at a special or regular meeting. An ordinance shall take effect immediately upon adoption, and the Secretary shall post the full text of said ordinance in the District office and publish a summary of the ordinance in a newspaper printed, published and circulated in the District at least five (5) days prior to and within fifteen (15) days after adoption of the ordinance. The latter posting and publishing shall also include the names of those directors voting for and against the ordinance.

2.01.180 Quorum; Vote Required. *(Amended Resolution 2008-08)* The majority of the Board shall constitute a quorum for the transaction of business. No ordinance, resolution, or motion shall be passed or become effective without the affirmative votes of at least a majority of the full Board. An abstention shall be recorded as an abstention and shall have the effect of a non-vote.

2.01.200 CONDUCT OF HEARINGS

2.01.205 Purpose. This procedure is a guide in conducting a dignified and functional hearing.

2.01.210 Questioning through President. During the course of the hearing a person or Board member should direct any question regarding the matter to the President. No direct questioning of witnesses should be allowed.

2.01.220 Staff Reports. Staff reports will first be heard upon the matter before the Board. The staff shall submit a report describing the physical situation and other facts bearing on the case.

2.01.230 Appearance of Applicant. The applicant will then be given an opportunity to present statements amplifying the written application or providing supplemental information. The applicant may appear in his own behalf or by a representative.

2.01.235 Appearance in Support of Applicant. Anyone else wishing to do so may then speak in support of the proposal. Supporters may appear in their own behalf or by a representative.

2.01.240 Written Communication regarding Proposal. The Secretary will then either read or introduce into the record as a whole communications received concerning the proposal.

2.01.245 Appearance in Opposition to Proposal. Anyone wishing to be heard may next speak in opposition to the proposal. Opponents may also appear in their own behalf or by a representative.

2.01.250 Applicant's Rebuttal. The applicant or representative will be afforded the opportunity to offer statements in rebuttal to opposition statements.

2.01.260 Staff Summary, Alternatives and Recommendation. The staff will then present summary, alternatives and necessary recommendations.

2.01.270 Close Hearing. The public portion of the hearing will then be closed and no further testimony taken.

2.01.280 Board Discussion and Action. After the public portion of the hearing is closed and the matter is before the Board, the Board shall proceed with discussion and then: (a) defer taking action on the matter and then continue it until another time and place for further discussion and appropriate action; or (b) vote upon the matter by either granting or denying it as presented or granting it subject to conditions.

2.01.290 Request for Stenographic Report. Any person interested in an application or Board initiated action may request the Secretary in advance of the hearing to provide for the recording of all testimony in a stenographic report. Such person shall make the request in writing to the Secretary and shall agree to pay all costs involved in taking and preparation of the stenographic report.

2.01.300 PRESS RELATIONS POLICY

2.01.305 Purpose. The purpose of this policy is to provide for an orderly presentation to the press of factual information about District activities and Board action.

2.01.310 Press Relations. The General Manager is hereby designated as the official of the District to represent the District to the press. Employees of the District shall refer all press inquiries to the General Manager. Directors and other District officials are encouraged to refer press inquiries regarding District activities and Board actions at meetings to the General Manager or the President of the Board. Individual Board members should take care not to represent their own opinions as those of the Board or the District, even when those opinions coincide with formal Board action.

2.01.315 Press Releases. Press releases regarding the District shall be approved by the General Manager and the President of the Board. Whenever possible, all members of the Board shall be given an opportunity to review proposed press releases.

2.01.400 COMPLIANCE AND ENFORCEMENT

(Per Res. 2007-02 Repealed and replaced by Resolution 2015-02 approved 7-20-15)

2.01.405 Purpose. The purpose of this policy is to establish a process for enforcement of the duties and standards of conduct for District Directors as set forth in this Chapter 2.01. Directors themselves have the primary responsibility to assure that these duties and standards of conduct are understood and met, and that the public can continue to have full confidence in the integrity of local government.

2.01.410 Responsibility to Intervene. The chairs of committees, the Board President and all Board and committee members have the additional responsibility to intervene when actions of Directors that appear to be in violation of this Chapter are brought to their attention.

2.01.415 Grounds for Disciplinary Action. The failure of a Director to comply with the provisions of this Chapter or Chapter 2.30 shall constitute grounds for disciplinary action against him/her. Any Director may submit a request to consider disciplinary action of another Director or Directors. The request should contain specific allegations of conduct that, if true, violate this Chapter or any other portion of the Policy Manual.

2.01.420 Disciplinary Actions. The Board may impose the following disciplinary actions on a Director found to have violated the Policy Manual, depending upon the severity or frequency of the violation:

1. Admonishment. An admonishment is appropriate for allegations of a violation of law or District policy. An admonishment serves as a formal reminder of the rules and is not disciplinary in nature.

2. Reprimand. A reprimand is appropriate when the council finds that a Board member has committed misconduct but determines that the misconduct does not rise to the level of requiring censure.

3. A censure is a formal resolution to reprimand an individual for misconduct and is a disciplinary action.

2.01.425 Notice. Notice and the request shall be served upon the accused Director or Directors through personal service or certified mail, unless the Director accepts an alternative method of service, at least ten (10) days before the Board meeting where the request will be evaluated. Such notice shall be prepared by District staff and reviewed by legal counsel. The notice will include the time, place, and date of the meeting, as well as state the Director's right to submit oral or written evidence.

2.01.430 Participation of Director who is Subject to Disciplinary Action. A Director who is the subject of an alleged violation will have the opportunity to respond to accusations at the hearing. However, an accused Director shall be ineligible to vote on any matter related to a disciplinary action including, but not limited to, agendizing the hearing and adopting a Resolution of Censure.

2.01.435 Opportunity to be heard. At the disciplinary action hearing, the Director shall have an opportunity to be heard concerning the allegations. The Director may submit a written response to

the allegations in addition to, or in lieu of, speaking at the disciplinary action hearing if he/she so chooses. The hearing may be continued from time to time at the discretion of the Board.

2.01.440 Resolution of Censure. If, at the close of the disciplinary action hearing, the Board finds that the Director's conduct does not comply with the District's standards, the Board may direct staff to prepare a resolution of censure which may include the imposition of sanctions against the Director as a majority of the Board deems appropriate. Such sanctions may include removal from a committee and restrictions on District-related travel privileges. At the next Board meeting, the Board may consider and adopt the Resolution of Censure including any sanctions imposed by the Board.

2.01.445 Alternative Discipline. If the Board finds that a Director or Directors has violated the Policy Manual, but the violation does not rise to the level requiring formal censure, the Board may impose an admonishment or reprimand.

2.01.450 No Basis for Challenging a Board Decision. A violation of this Chapter shall not be considered a basis for challenging the validity of a Board decision.

2.01.455 Conflicts. In the event that a majority of the Board is unable to vote at a disciplinary hearing due to conflict of interest, the General Manager may appoint an ad hoc committee of nonbiased members of the community to conduct an investigation and present a formal report to the Board during a regular open session meeting.

Chapter 2.05
APPOINTED OFFICERS

(Resolution 1996-02-01)

Sections:

2.05.010 Appointment of District Officers
2.05.020 Director not Eligible
2.05.030 Compensation and Tenure
2.05.040 Bond
2.05.100 Duties of Auditor
2.05.200 Duties of Counsel

2.05.010 Appointment of District Officers. The Board shall appoint by majority vote, and enter into contracts for services for, a General Manager, auditor, and general counsel to carry out the duties required by law and other duties required by the board. Persons appointed as officers shall serve at the pleasure of the Board. *(See Ca Water Code §§30540, 30541, 30544; Ca Gov. Code 53060)*

2.05.020 Director not eligible. A director shall not be the General Manager, general counsel, or auditor. *(See Ca Water Code §30541)*

2.05.030 Compensation. The General Manager, general counsel, and auditor shall each receive the compensation determined by the Board. *(See Ca Water Code §30542)*

2.05.040 Bond. The District shall insure against losses caused by an employee or officer of the District in lieu of providing a bond or bonds in such amounts as shall be determined by the Board. *(See Ca Gov Code §53226.3)*

2.05.100 Duties of Auditor. The Auditor shall (a) audit the books of the District annually in a manner consistent with law and the rules of the American Institute of Certified Public Accountants; (b) advise the General Manager; (c) provide such other accounting related services as the Board may desire; (d) attend meetings of the Board when requested by the Board; and (e) upon receipt of an inquiry from a member of

the Board regarding District financial matters, respond in writing to the entire Board with a copy to the General Manager and to the general counsel. *(See Ca Gov. Code §53060; Ca Water Code §30540)*

2.05.200 Duties of General Counsel. The District's general counsel (a) shall provide legal advice to the Board and other officers of the District; (b) shall represent the District in legal matters before the courts; (c) shall perform such other duties as appropriately requested by the Board or the General Manager; (d) shall review all contracts and ordinances of the District prior to approval by the Board; (e) may, and when requested shall, attend meetings of the Board and its committees; (f) upon receipt of an inquiry from a member of the Board regarding District matters (exclusive of matters personal to the Director), shall respond in writing to the entire Board with a copy to the General Manager. *(See Ca Gov. Code §53060; Ca Water Code §31088)*

Chapter 2.10
GENERAL MANAGER

(Resolution 1996-02-01)

Sections:

2.10.010 EMPLOYMENT
2.10.100 MANAGER-BOARD RELATIONS
2.10.110 Attendance at Meetings
2.10.115 Matters before the Board
2.10.120 Direction from the Board
2.10.125 Requests for Information
2.10.200 DUTIES OF THE MANAGER
2.10.205 General Manager and District Secretary
2.10.210 Full Charge and Control of Water System
2.10.215 Employ and Discharge Employees
2.10.220 Prescribe Duties of Employees
2.10.225 Fiscal Agent
2.10.230 Agent of the Board
2.10.235 Representative of the Board
2.10.240 District's Public Relations Officer
2.10.245 Purchasing Agent
2.10.250 Additional Duties

2.10.010 Employment. The Board of Directors shall employ by contract a person specially trained, experienced, and competent to perform the duties of the General Manager. Said contract shall provide for terms of employment, compensation, and other benefits, including provisions for termination of employment, in a manner consistent with this Chapter. The General Manager shall serve at the pleasure of the Board. *(See Ca Gov Code §53060)*

2.10.100 Manager-Board Relations. The relationship between the Board and the General Manager shall be governed by the following policies:

2.10.110 Attendance at Meetings. The General Manager shall attend all meetings of the Board and committees thereof except those closed sessions involving matters related to the employment or termination of the General Manager.

2.10.115 Matters before the Board. The Board shall permit the General Manager to address all matters coming before the Board and, to such extent reasonably possible, the General Manager shall prepare written reports on all matters coming before the Board for potential action in open session.

2.10.120 Direction from the Board. The General Manager shall receive direction from the Board only through a vote taken by the Board in public meeting except as provided by the Ralph M. Brown Act.

2.10.125 Requests for Information. Requests for information by members of the Board regarding the operations of the District shall be made through the General Manager or other appropriate appointed officer. When the General Manager is not available, members of the Board may pass requests for information regarding operations of the District to the General Manager through employees and assistants of the General Manager. Such employees and assistants shall as soon as possible thereafter advise the General Manager of any such request. The General Manager shall furnish requested information as soon as reasonably possible. Board members shall not attempt to give direction to employees.

2.10.200 DUTIES OF THE GENERAL MANAGER

2.10.205 General Manager and Board Secretary. The General Manager shall perform the duties of General Manager of the District and the Duties of Secretary as provided by law and by policy statements and direction given to the General Manager by the Board. As Secretary, the General Manager shall: (a) serve as the secretary of the Board; (b) maintain minutes of meetings and record all hearings and official actions; and (c) serve as custodian of district records. *(See Ca Water Code §§30540, 30570, 30590; Ca Gov Code §§6200, 6250 et seq.)*

2.10.210 Full Charge and Control of Water System. The General Manager shall have full charge and control of the maintenance, operation, and construction of the water-works system of the District. *(See Ca Water Code §30580)*

2.10.215 Employ and Discharge Employees. The General Manager shall have full power and authority to employ and discharge all employees and assistants at pleasure. *(See Ca Water Code §30580)*

2.10.220 Prescribe Duties and Fix Compensation of Employees. The General Manager shall prescribe the duties of employees and assistants; and fix and alter the compensation of employees and assistants subject to approval by the Board. *(See Ca Water Code §30580)*

2.10.225 Fiscal Officer. The General Manager, as chief fiscal officer, shall (a) prepare the annual budget for Board consideration and adoption, and maintain proper budgetary control through the establishment and maintenance of a budgetary accounting system in a manner consistent with state law; and (b) prior to the issuance of checks to pay demands made against the District, review and approve such demands as required under the Government Code.

2.10.230 Agent of the Board. The General Manager shall act as agent of the Board of Directors in relationships with other consultants, contractors, engineers, legal counsel, accountants, and auditors employed and retained by the District.

2.10.235 Representative of the District. The General Manager shall act as representative of the District in working with county, regional, state and federal agencies concerned with water and wastewater operations and construction projects.

2.10.240 District's Public Relations Officer. The General Manager shall act as the District's public relations officer, endeavoring to keep the community informed of the District's efforts to operate and maintain an efficient program.

2.10.245 Purchasing Agent. The General Manager shall act as the purchasing agent of the District. Pursuant to direction given by the Board, the General Manager shall execute such purchase orders as may be necessary to implement the annual budget of the District.

2.10.250 Additional Duties of General Manager. The General Manager shall also: (a) perform other duties imposed by the Board; and (b) report to the Board in accordance with the rules and regulations as it adopts. *(See Ca Water Code §30581)*

Chapter 2.20
COMPENSATION OF DIRECTORS, OFFICERS AND EMPLOYEES

(Resolution 1996-09-02)

Sections:

2.20.100 COMPENSATION OF DIRECTORS
2.20.300 CONFLICT OF INTEREST CODE
2.20.400 PUBLIC RECORDS ACT REQUEST POLICY

2.20.100 COMPENSATION OF DIRECTORS

(Amended by Resolution 2003-05 adopted on July 21, 2003)

2.20.110 Compensation for Board Meetings. Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at regular and special meetings of the Board of Directors.

2.20.120 Compensation for Attendance at District-Related Functions. Each Director shall receive compensation in accordance with Section 2.01.050 of the Administration and Personnel Policy for each day's attendance at approved conferences, meetings and seminars subject to the policies and limitations contained in this Chapter 2.20. Such compensation shall not include travel days, unless the Director was in attendance at the approved function on the day of travel.

2.20.130 Policy on Director Travel. Individual Board members may attend any meeting, conference or seminar of their choosing, but shall only officially represent the District and receive compensation and/or travel reimbursement for approved travel. Approved travel shall consist of attendance at meetings, conferences and seminars by an appointed representative or alternate as identified in Section 2.20.140, or which the Board of Directors has approved by majority vote at a regular or special meeting. Directors attending a meeting, conference or seminar shall provide information regarding their attendance at the next regular Board meeting.

2.20.140 Pre-Approved Travel for Assigned District Representatives. The Board President shall appoint one Director to be the primary representative and one Director as the alternate to the following organizations: Sacramento Groundwater Authority (SGA), Regional Water Authority (RWA), California Special Districts Association (CSDA), Association of California Water Agencies (ACWA) and/or ACWA/Joint Powers Insurance Authority (ACWA/JPIA) and such other ad hoc or special committees approved by a majority of the Board of Directors. The Primary representative or the alternate when the primary representative is not able to be present and requests that the alternate attend, may attend the "regular meetings" of the assigned organization and receive compensation and travel reimbursement without prior approval of the Board of Directors. A "regular meeting" shall only include those recurring scheduled

business meetings of the organization on which the District representative sits on the governing board, or the twice-annual general membership conferences held by statewide organizations. All other meetings, conferences and seminars shall require prior Board approval if the Director wishes to be compensated for attendance and/or receive travel reimbursement.

2.20.150 Limitations on Director Reimbursement. The District will pay for reasonable expenses incurred by a Director that is directly related to attendance at a function authorized under Section 2.20.130. Reimbursement for mileage for use of a private vehicle shall be limited to travel destinations in excess of 50-miles from the District. Overnight lodging reimbursement shall be limited to destinations in excess of 75-miles from the District. Exceptions to this Section shall require prior approval by a majority of the Board of Directors. Payment of travel-related expenses shall only be made in accordance with the provisions of Section 2.20.410 of this Chapter.

2.20.160 Limitation on Board Compensation. Compensation to any individual Director under the provisions of Sections 2.20.110 and 2.20.120 shall not exceed six (6) days in any calendar month.

2.20.200 Compensation of Other Officers. The compensation of the General Manager, general counsel and the Auditor shall be as determined by a written contract or agreement for services.

Chapter 2.30
CONFLICT OF INTEREST CODE

(Res No. 2014-04)

Sections:

2.30.010 Purpose
2.30.020 Incorporation of Fair Political Practices Commission Language
2.30.025 Fair Political Practices Commission Standard Code Provisions
2.30.030 Designated Positions
2.30.040 Disclosure Category 1
2.30.050 Disclosure Category 2
2.30.060 Disclosure Category 3
2.30.070 Disclosure Category 4

2.30.010 Purpose. In California, local government agencies are required to adopt conflict of interest codes under the Political Reform Act of 1974 (Government Code Sections 81000, et. seq.). These codes are intended to ensure that local government agencies operate openly and ethically. The Fair Political Practices Commission has drafted a model conflict of interest code that local government agencies may adopt to comply with state law requirements. Rio Linda Elverta Community Water District's (the "District") conflict of interest code is meant to adopt and implement the Fair Political Practices Commission model code in order to provide guidelines for District employees and protect the integrity and efficiency of the District's operations.

2.30.020 Incorporation of Fair Political Practices Commission Language. The District hereby adopts and incorporates California Code of Regulations, Title 2, division 6, Section 18730, as amended by Section 2.30.050.

2.30.025 Filing Statements of Economic Interest. Designated employees and officials shall file statements of economic interests (FPPC Form 700) pursuant to the provisions of this Conflict of Interest Code. Statements of economic interests shall be filed with the District, which shall retain a copy to make available for public inspection and reproduction, pursuant to Government Code Section 81008. The original statements of economic interests shall be forwarded to the Sacramento County Clerk of the Board of Supervisors, as required by law.

2.30.030 Consultant Determination. The General Manager shall make the initial determination as to whether individuals are consultants, as defined in California Code of Regulations, Title 2, division 6, Section 18701. An individual may be a consultant whether he or she is compensated or is an unpaid volunteer. The requirements of this conflict of interest code shall be included in the agreement which is entered into between the District and a consultant.

2.30.035 Notice of Disqualification. If a filer is required to disqualify him or herself, the filer shall give written notice to the District, which shall be made part of the District's official records. The filer shall refrain from participation and shall attempt in no way to use his or her official position to influence any other person with respect to the matter.

2.30.040 Request for Opinion. Any filer who is unsure of any right or obligation arising under the Conflict of Interest Code should consult with the General Manager who may request a formal opinion or letter of advice from the General Counsel. If an opinion is rendered by the General Counsel stating in full the facts and law upon which the opinion is based, compliance by the filer may be evidence of good faith in any civil or criminal proceeding brought pursuant to the Political Reform Act of 1974 or this conflict of interest code. The filer's good faith compliance with the opinion of the General Counsel shall also act as a complete defense to any disciplinary action that the District may bring under Government Code Section 91003.5 or this Conflict of Interest Code.

2.30.045 Unclassified Employees. Notwithstanding the provisions of California Code of Regulations, Title 2, division 6, Section 18734, any individual hired for a position not yet covered by the conflict of interest code in which the individual serves in a position that makes or participates in making governmental decisions is required to file a statement of economic interests under the District's broadest disclosure category until the conflict of interest code is amended to include the new position unless the department in conjunction with the General Counsel, has provided a limited disclosure requirement in writing.

2.30.050 Fair Political Practices Commission Standard Code Provisions. The political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission ("FPPC") has adopted a regulation, California Code of Regulations, Title 2, division 6, Section 18730 (hereinafter "CCR 18730"), which contains the terms of a standard Conflict of Interest Code, which can be incorporated by Reference, and which may be amended by the FPPC to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of CCR 18730 and any amendments to it duly adopted by the FPPC, along with this Chapter constitute the Conflict of Interest Code of the Rio Linda Elverta Community Water District.

Designated individuals shall file their statements of economic interest (FPPC form 700) with the Rio Linda Elverta Community Water District, which shall retain a copy to make available for public inspection and reproduction, pursuant to Government Code Section 81008. The original statements shall be forwarded to the Sacramento County Clerk of the Board of Supervisors, as required by law.

2.30.055 Designated Positions. District employees are assigned the levels of disclosure described below. Every employee shall comply with the disclosure requirements of the categories he is assigned, as provided in Section 2.30.060.

DESIGNATED POSITION, TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
1. Members of the Board of Directors	1, 2, 3, 4
2. Candidates for Members of the Board of Directors	1, 2, 3, 4
3. General Manager	1, 2, 3, 4

4.	General Counsel	1, 2, 3, 4
5.	District Auditor	1, 2, 3, 4
6.	District Engineer	1, 2, 3, 4
7.	Consultant*	1, 2, 3, 4

*Consultants shall disclose pursuant to the broadest category in this conflict of interest code, subject to the following limitation:

The General Manager may determine in writing that a particular consultant, although a designated position, is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described herein. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.

2.30.060 Disclosure Categories. The District adopts four disclosure categories under its conflict of interest code: Category 1, Category 2, Category 3, and Category 4.

2.30.070 Category 1. Individuals in this category shall disclose all interests in real property located within the District, and all investments in, business positions with, and sources of income from entities having an interest in real property within the District or entities which are the type to do business with or within the District, and income from sources which provide facilities, services, supplies, or equipment of the type utilized by the District, including but not limited to:

1. Accounting services
2. Appraisal services
3. Architectural services
4. Banks and savings and loan institutions
5. Chemicals, insecticides, weed killers
6. Communications equipment and services
7. Computer hardware and software
8. Construction and building materials
9. Construction contractors
10. Custom farming services such as weed abatement, etc.
11. Electrical equipment
12. Engineering services
13. Entities construction distribution and drainage collector facilities for the District
14. Financial audit services
15. Freight and hauling
16. Hardware tools and supplies
17. Janitorial services
18. Land developers and builders
19. Meters
20. Motor vehicles, heavy equipment, special vehicles and parts, and services thereto
21. Office equipment
22. Petroleum products
23. Photographic services, supplies, and equipment
24. Pipe, valves, fittings, etc.
25. Printing, reproduction, recordkeeping, etc.
26. Public utilities

27. Pumps, motors, etc.
28. Real estate agents/brokers and investment firms
29. Safety equipment and facilities
30. Telemetering equipment
31. Title companies
32. Travel agencies
33. Water quality testing
34. Water services in any capacity
35. Water treatment equipment supplies and services
36. Well drilling

2.30.080 Category 2. Individuals in this category shall disclose all interests in real property located within the District, and all investments in, business positions with, and sources of income from entities which are the type to do business with or within the District, and income from sources which provide facilities, services, supplies, or equipment of the type utilized by the district, including but not limited to:

1. Accounting services
2. Appraisal services
3. Banks and savings and Joan institutions
4. Communications services and equipment
5. Computer hardware and software
6. Consulting services
7. Employment agencies
8. Financial audit services
9. Janitorial services
10. Medical services and supplies
11. Office equipment, supplies, and services
12. Printing, reproduction, recordkeeping equipment, supplies, and services
13. Travel agencies
14. Water quality services

2.30.090 Category 3. Individuals in this category shall disclose all investments and business positions in business entities, and income from sources that are engaged in land development, construction or the acquisition or sale of real property in the District, plan to engage in such activities in the District, within the next twelve months, or have engaged in such activities in the District, within the past two (2) years. Disclosure shall also include investments and business positions in business entities, and income from sources which: (A) are contractors or subcontractors engaged in performance of work or services of the type utilized by the District; or (B) which manufacture or sell supplies, material machinery, or equipment of the type utilized by the District.

2.30.100 Category 4. All investments and business positions in, and sources of income from, business entities that are engineering firms, accounting or auditing firms, employment services firms, banking, savings and loan, or other financial institutions.

Chapter 2.40
PUBLIC RECORDS ACT REQUEST POLICY

Sections:

2.40.010 Purpose.
2.40.020 Preferred Form.
2.40.030 Initial Response.
2.40.040 Production of Records.
2.40.050 Limit of Public Records Act Request.

2.40.010. Purpose. The California Public Records Act (Government Code Section 6250 et seq.) provides California citizens with important rights to obtain access to records held by public agencies in the State. The purpose of this policy is to clarify for the public, attorneys, insurance adjusters, and private investigators, the process by which the District will respond to requests for records under the Public Records Act. In addition, the District seeks to establish a clear procedure for responding to Public Records Act requests to ensure that the District processes all requests fairly, consistently and in a time sensitive manner.

2.40.020. Preferred Form. The District prefers that all requests for public records be in writing on a form prescribed by the District Manager, unless the request is to review an agenda or agenda reports of the Board of Directors or a District committee. Oral requests may require further clarification or a response to questions from the District to clarify the request.

2.40.030. Initial Response. The General Manager will provide its initial response to all requests as soon as possible, but not later than the ten-day period, or extensions thereof, as provided by Government Code sections 6256 and 6256.1. In accordance with the Public Records Act, this initial response will indicate whether the District has any disclosable records in response to the request. The following steps will be taken to make this determination.

(1) The General Manager shall review the request and determine whether the request seeks identifiable records and, if not, the General Manager shall so advise the person making the request.

(2) The General Manager shall respond to the person requesting records by advising him or her in writing of the availability of the documents and whether disclosure of any of the documents is exempt under the provisions of the Public Records Act.

2.40.040. Production of Records. After the initial response from the District and if disclosable documents are identified, the person requesting such documents may either inspect the documents at the District office or request a copy of such documents. If a request is made for copies of the documents, the General Manager shall also advise the person requesting copies of the estimated time to compile the documents and the costs of copying the documents requested.

The person requesting the copies shall pay the per page charge for copying as set forth by resolution of the District Board for all copies requested, not to exceed the actual costs of providing the copies. The General Manager shall not make the requested copies until a deposit in the amount of the estimated costs of copying is received and shall not release the copies until the full cost of copying is paid to the District in the form of a check or money order. Cash is not accepted by the District.

2.40.050. Limits of Public Records Act Request. In accordance with the Public Records Act, the District will provide only specific identifiable records but will analyze information which may be contained within any public records. The District is not required to create a document or record that does not exist. The District will exercise reasonable efforts to locate requested documents normally kept by the District.

The District will respond to requests for public records in accordance with the terms of the California Public Records Act as the Act now exists or may hereafter be amended, and nothing in this Policy is intended nor shall it be construed to conflict with the terms of the Public Records Act.

Title 3
FINANCE

Chapters:

3.01 GENERAL PROVISIONS
3.03 DEFINITIONS
3.05 ACCOUNTING
3.06 DISPOSAL OF CAPITAL ASSETS
3.07 BUDGET
3.08 PUBIC CONTRACT BIDDING
3.09 WHISTLEBLOWER POLICY
3.11 PAYMENT OF CLAIMS
3.15 RECORDS RETENTION POLICY
3.21 RISK CONTROL

Chapter 3.01
GENERAL PROVISIONS
(Resolution 1996-11-02)

3.10.010 Purpose. The purpose of this Chapter is to provide for implementation of the financial provisions of the County Water District Law and the Government Code of the State of California.

CHAPTER 3.03

DEFINITIONS
(Resolution 1996-11-02)

3.03.010 General. As used in this Chapter certain terms, phrases, words and their derivatives shall be construed as specified in this Chapter.

DEFINITIONS:

3.03.104 Budget. A plan of financial operation embodying an estimate of proposed expenditures for a fiscal year and the proposed means of financing them.

3.03.108 Budget Document. The instrument used by the General Manager to present the proposed plan of financial operations of the District to the Board of Directors. It includes the proposed Budget and all supporting statements, details, schedules, statistics, messages, summaries and other information deemed appropriate by the General Manager.

3.03.112 Fiscal Year. The twelve-month period of time to which the annual Budget applies, which shall be from July 1st through June 30th.

3.03.116 Fund. An independent accounting entity with a self-balancing set of accounts segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations.

3.03.120 Reserves. An account which records a portion of the fund balance which is segregated for some future use and which has not been appropriated for expenditure within the Budget.

Chapter 3.05
ACCOUNTING

(Resolution 1996-11-02)

Sections:

3.05.100 Funds
3.05.110 Water Enterprise Fund
3.05.120 Project Funds
3.05.130 Special Holding Funds
3.05.140 Write-off of Uncollectible Accounts Receivable

3.05.100 Funds. All monies received and/or expended by the District shall be accounted for and recorded in ledgers for those funds provided for in this Chapter.

3.05.110 Water Enterprise Fund. All revenues and expenditures for the maintenance, operation and improvement of the District water fund shall be accounted for in this fund.

3.05.120 Project Funds. The General Manager and District Auditor may create special funds for accounting of revenues and expenditures related to specific construction projects.

3.05.130 Special Holding Funds. The General Manager and District Auditor may create special funds for accounting purposes to hold monies which have been expended from a regular budgeted fund, but for one reason or another are still in the possession of the District. All such funds shall be reported in the monthly Budget report.

3.05.140 Write-off of Uncollectible Accounts Receivable *(approved 9/15/2014)*

After all reasonable efforts have been made to collect accounts, the District will write-off the uncollectible amount. The amount is to be split between water service fees and surcharge fees of $19.00 per service per billing cycle.
The method of writing off bad accounts will be as follows:

1. A report shall be created that lists all accounts that were not able to be collected. The list shall include the account number, address and the total amount due.
2. The list shall be presented to the Board of Directors once per fiscal year at the April meeting of the Board.
3. Upon approval of the Board of Directors to write off the presented amount, a journal entry will be made moving each account presented to water and surcharge bad debts, clearing accounts receivable.

Chapter 3.06

DISPOSING OF CAPITAL ASSETS

(Approved at the September 15, 2014 meeting of the Board)

Sections:

3.06.100 Purpose
3.06.200 Definitions
3.06.300 Yearly Inventory of Real Property
3.06.400 Disposal of Real Property
3.06.500 Procedure for Relinquishment of District Interest in Easements
3.06.600 Disposal of Vehicles and Large Equipment
3.06.700 Guidelines Concerning the Sale of Vehicles and Large Equipment
3.06.800 Disposal of Other Personal Property Other than Vehicles/Large Equipment
3.06.900 Revenue from Disposal of Surplus Property
3.06.1000 Prohibition against Upgrades
3.06.1100 Prohibited Director, Officer and Employee Transactions
3.06.1200 Discretion of Board and General Manager

3.06.100 Purpose.

The primary purpose of this policy is to allow management staff to determine if a parcel of real property, easement, vehicle or large equipment or other personal property is no longer needed for daily, emergency and/or future operations of the District. A staff report is generated to document why a parcel of real property, easement, vehicle or large equipment or other District property should not be retained.

3.06.200 Definitions.

Real Property – Any ownership interest in any parcel of land, buildings and improvements owned by the District.

Easement – An interest in another's real property that permits the District to make limited use of that real property for a District purpose.

Vehicles and Large Equipment – Any ownership interest in utility trucks, dump trucks, tractors, backhoes, and other significant self-propelled equipment used in District operations.

Personal Property – Any ownership interest in any moveable or intangible thing that is subject to ownership and not classified as real property including: shop tools (cut-off saws, drills, etc.), computer equipment (monitors, printers, etc.), furniture.

3.06.300 Yearly Inventory of Real Property.

Pursuant to Government Code Section 50569, every year before December 31st, the District shall inventory all of the real property it owns or controls and shall determine if any real property owned or controlled is in excess of the District's foreseeable needs ("Surplus Real Property"). If any real property is found to be in excess, the District shall list such real property in a document, which will be public record.

3.06.400 Disposal of Real Property.

1. District management determines if a parcel of real property no longer meets the needs of daily, emergency and/or future operations. A staff report is generated to document why the parcel should not be retained.

2. District management determines if a parcel falls within the notice and offer procedures provided in Government Code sections 54220 through 54232, as they may be amended from time to time. A parcel of real property is exempt from the statutory notice and offer procedures if it:

(A) Is less than 5,000 square feet; **or**

(B) Is less than "the minimum legal residential building lot size for the jurisdiction in which the parcel is located"; **or**

(C) Is sold to a Landowner of contiguous land; and;

a. Is not: (a) contiguous to land owned by a state or local agency that is used for park, recreational, open-space, low- or moderate-income housing; or (b) located in an enterprise zone or high-density, economically-distressed areas involved in certain redevelopment program; **and**

b. Has no recorded access and is less than 10,000 square feet;

(D) If the statutory notice and offer procedures must be followed, the District must obtain a qualified appraisal of the parcel and offer the surplus real property to specified public agencies before it can sell the property to other public agencies or a private party. The specified public agencies are as follows:

a. Sacramento County for developing low- and moderate-income housing;

b. Sacramento County Parks and Recreation Department for park and recreational purposes;

c. Any regional park authority that has jurisdiction over the area in which the surplus real property is located if it is to be used for park and recreational purposes;

d. The State Resources Agency for park and recreational purposes; and

e. The school district in whose jurisdiction the parcel is located.

(E) The Board of Directors declares real property as surplus and determines if a parcel must be offered to the designated public agencies under the statutory notice and offer procedures prescribed by the Government Code or is exempt from such procedures. If the District must sell a surplus parcel under the statutory notice and offer procedures, the General Manager will give qualifying public agencies notice of the parcel's availability for purchase. If none of the agencies to which notice must be given notifies the District within 60 days after receiving notice that they are interested in buying the surplus parcel, then the District may sell the parcel by advertised public sale. If the District receives notice from an agency that it wishes to purchase or lease the Surplus Real Property, the District and the interested agency shall enter into good faith negotiations for a period of at least sixty (60) days. If the parties fail to reach an agreement within sixty (60) days, the District may proceed with disposing of the real property through a public sale as described in this section.

(F) In the event that more than one agency responds to the statutory notice by expressing an interest in purchasing the surplus real property, the District will give first priority to the agency that agrees to use the surplus real property for low or moderate income housing. However, if the surplus real property is already being used for a park or a recreational purpose, or if the surplus real property is designated for park or recreational purpose in the applicable general plan, then the District will give first priority to an agency that agrees to use the real property for a park or recreational use.

(G) In all cases where the statutory notice and offer procedures have not resulted in disposal of a parcel, the District will sell surplus real property by public sale. The General Manager will notice the parcel's sale at the appraised value unless the Board of Directors authorizes a different price. The notice of sale will contain a description of the surplus real property; a statement of time and place for opening bids. Bids for the purchase of surplus real property will be accepted or rejected by a resolution of the District Board of Directors. Alternatively, the District may list the surplus parcel for public sale with a licensed real estate broker in good standing who advertises the parcel through a multiple listing service or similar listing system at a fair market value determined by the broker using comparable sales data. Documents for the conveyance of title to surplus real property will be executed by the President of the Board upon authorization by the Board of Directors.

(H) If the General Manager determines that a surplus parcel is exempt from the Government Code's notice and offer procedures, it will not be necessary to obtain a formal appraisal of the property. If circumstances warrant and the Board of Directors determines it is in the best interest of the public the surplus parcel may be sold for less than fair market value. In such cases, the General Manager or his/her designee will prepare a staff report documenting why the parcel was not appraised, why it may be sold for less than fair market value, the fiscal impact of selling the parcel and why it is exempt from the Government Code notice and offer procedures. After review of the staff report, the Board of Directors may approve the sale of the surplus parcel by motion. A staff report and a certified copy of the Board of Directors Meeting minutes reflecting the Board's approval of the sale is sufficient to authorize the General Manager to make the sale.

3.06.500 Procedure for Relinquishment of District Interest in Easements.

1. Staff determines if an easement no longer meets the needs of daily, emergency and/or future operations of the District. Staff then will generate a report that documents the justification for relinquishing the easement and makes a determination whether the easement has any fair market value. Staff then will forward the report to the General Manager for review. If staff determines that the easement has some marketable value, the General Manager will present the staff report to the Board at a subsequent meeting with a recommendation for Board of Directors action on relinquishing the easement in exchange for valuable consideration.

2. If staff determines that the easement has *nominal* fair market value, with Board approval, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign and record a quitclaim deed to relinquish the District's interest in the easement. *If the easement is a Public Utility Easement, the General Manager shall have the authority, upon review and approval of the recommendation in the staff report, to sign an easement relinquishment letter.*

3. If, upon recommendation of staff, the General Manager authorizes disposal of an easement under this section, then the General Manager will report the disposal of the easement to the Board at its next regular meeting following the recording of the quitclaim deed relinquishing the easement.

3.06.600 Disposal of Vehicles and Large Equipment.

1. At least once each fiscal year, the General Manager will prepare a list of District vehicles and items of large equipment that are deemed surplus because the burden of maintaining or storing the vehicle or large equipment exceeds its use to the District taking into consideration: (a) needed repairs to the vehicle or large equipment, (b) insurance costs, (c) other vehicles or large equipment owned or controlled by the District; and (d) usefulness of the vehicle or large equipment to the District. To determine overall value of a vehicle or large equipment, the District will consider age/depreciation, maintenance and repairs, miles, type of service, reliability, and condition as criteria for this determination. If beneficial to the District, the surplus vehicle or large equipment may be traded in with a dealer in the process of procuring an updated vehicle or large equipment.

2. If the item is not traded in District staff will establish values and set minimum bid prices for each vehicle or item of large equipment to be sold by public auction. If staff determines that the particular vehicle or large equipment has diminutive or no value or the costs of preparation and sale exceeds the value of the vehicle or equipment, then the General Manager is authorized to dispose of the property in accordance with Sections 3.05.600.00 (5) and (6) of this policy.

3. The General Manager may authorize the sale of surplus vehicles and large equipment with an estimated value of $1,000 or less. Vehicles and large equipment with an estimated value greater than $1,000 will be sold as surplus following authorization by the Board of Directors at a public meeting.

4. After sale of a vehicle or large equipment has been authorized by the Manager or Board of Directors as required in Section 3.06.400(3), vehicles or large equipment are to be sold at public auction. The General Manager will consign the vehicles or large equipment to a public auctioneer after posting a notice concerning the sale of the vehicle and/or large equipment.

3.06.700 Guidelines Concerning the Sale of Surplus Vehicles and Large Equipment.

Prior to the sale of surplus vehicles or large equipment, the General Manager will direct staff to assist in the following:

1. Remove all District equipment from the vehicle or large equipment (radio, decals, etc.).

2. Clean and repair the vehicle or large equipment if it is an immediate safety issue.

3. The sale of the vehicle or large equipment at public auction.

4. Establish vehicle or large equipment value using an appropriate, publicly available valuation tool such as the Kelley Blue Book, qualified appraisal, trade publications or classified newspaper advertisements. Staff will prepare a written report concerning the valuation of the item and attach appropriate documentation.

5. Arrange for the delivery and consignment of the item and, in consultation with the General Manager and auctioneer, determine an appropriate reserve or minimum price for the item.

6. Prepare and post a notice of sale. The notice and advertisement will include the vehicle or large equipment description, minimum bid, conditions of sale, and place of public auction.

7. When the vehicle or large equipment is sold, the General Manager or his/her designee will sign the "pink slip", bill of sale and any other documents required to complete the sale.

8. After the vehicle or large equipment is sold, the General Manager or his/her designee will complete paperwork as required by the Department of Motor Vehicles (DMV) to report the sale of the vehicle or large equipment, and return all completed forms and vehicle license plates to DMV.

3.06.800 Disposal of Other Personal Property Other than Vehicles/Large Equipment.

1. At least once each fiscal year, the General Manager will prepare a list of District personal property, other than vehicles and large equipment, which is deemed surplus personal property because the District no longer uses the item and it is not foreseeable that the District will need to use the item in the future.

2. District management staff will establish values and set minimum bid prices for each item of personal property to be sold by public auction. If staff, during the process of establishing value to an item of personal property, determines it to be of diminutive or no value, the General Manager is authorized to dispose of the property in accordance with Sections 3.06.600 (5) and (6) of this policy.

3. The General Manager may authorize the sale of personal property with an estimated value of $1,000 or less. Personal property with an estimated value greater than $1,000 will be sold as surplus following authorization by the Board of Directors at a public meeting. Surplus personal property is to be sold at public auction. The General Manager will consign the personal property to a public auctioneer after posting a notice concerning the District's sale of the property. The District reserves the right to place items of surplus property in a group or lot for sale to the highest bidder.

4. For surplus items not sold, the General Manager has the authority to donate such items to another government agency or any non-discriminatory, tax exempt non-profit organization qualified under Internal Revenue Code section 501(c)(3).

5. If an item of surplus property is not sold during sale and the General Manager is unable to donate the surplus items to a qualified government agency or tax-exempt organization, the General Manager may properly dispose of such items at a legal disposal site.

3.06.900 Revenue from Disposal of Surplus Property.

All revenue received from the disposal of surplus real or personal property will be deposited in the District's General Operating Fund unless otherwise specified by the Board of Directors.

3.06.1000 Prohibition against Upgrades.

Unless necessary to ensure the safety, merchantability and/or serviceability of surplus property, District staff may not make any repairs or upgrades to any real or personal property recommended or already deemed to be surplus. For example, staff may not replace a vehicle's worn but serviceable tires with new tires, nor may staff add or replace optional equipment that enhances a vehicle's value. Before sale and upon the General Manager's authorization, District staff may repair or replace parts on a surplus item if it is necessary to ensure that it is safe, serviceable and/or merchantable.

3.06.1100 Prohibited Director, Officer and Employee Transactions.

In accordance with Government Code section 1090; all members of the District Board of Directors and the General Manager are prohibited from purchasing surplus District real or personal property. Staff members generally are eligible to buy surplus District real or personal property noticed for sale on the

same terms and conditions as those offered to members of the public, except that any District employee who actively participated in determining an item's price, surplus status or conditions of sale is prohibited from purchasing such items because the employee is deemed by law to have a prohibited interest in the sale. The General Manager, in consultation with the Board and legal counsel, will determine if an employee has a prohibited interest in an item of surplus property.

3.06.1200 Discretion of Board and General Manager.

Except as prohibited by law, the Board of Directors and General Manager will have the discretion to waive any minor irregularity in the procedures for the surplusing and disposing of surplus property. Such discretion will be exercised in a non-discriminatory manner.

Chapter 3.07
BUDGET

(Resolution 1996-11-02)

Sections:

3.07.100 Presentation and Review
3.07.200 Public Hearing
3.07.300 Adoption

3.07.100 Presentation and Review. The General Manager shall present the Budget document to the Board of Directors including the proposed Budget for the following year.

3.07.200 Public Hearing. On or before the regular Board meeting in July, the Board of Directors shall hold a public hearing on the proposed Budget. Copies of the Budget document shall be available to the public.

3.07.300 Adoption. During or before the regular Board meeting in August, the Board of Directors shall make any changes it deems desirable to the proposed Budget and shall adopt by resolution the Budget as finally determined. The resolution shall include all adopted revenue and expenditure figures.

Chapter 3.08
Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing

3.08.100 Purpose
3.08.200 Definitions
3.08.300 Procurement and Contract Administration
3.08.400 Appropriated Funds
3.08.500 Solicitation of Bids
3.08.600 Exceptions to Standard Purchasing Procedures
3.08.700 Public Works

3.08.800 General Provisions

3.08.100 Purpose. The purpose of this Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy (the "Policy") is to establish efficient, fair and uniform procedures acquiring goods and services for the Rio Linda/Elverta Community Water District ("District"). This Policy provides direction on how to efficiently and legally obtain suitable quality services, supplies, materials, and labor at the lowest possible cost and in compliance with state law requirements.

3.08.200 Definitions. For the purposes of this Policy, terms have the following meanings:

1. "Board" shall mean the District's Board of Directors.

2. "Emergency" shall mean (1) a breakdown in machinery or equipment resulting in the inability of the District to provide essential services; or (2) a threat to public health, safety or welfare, including, but not limited to, threatened damage to natural resources or an imminent threat of injury or damage to any person or property.

3. "General Manager" shall mean the General Manager of the District as appointed by the District's Board of Directors.

4. "Professional Services" shall mean any services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms or any specially trained or experienced person, firm, or corporation, providing services and advice in financial, economic, accounting, engineering, information services, technical, architectural, or other administrative/professional matters.

5. "Purchasing" refers collectively to contracting or procurement of services, supplies, materials, or labor, including capital improvements.

6. "Purchasing Agent" shall mean the General Manager, who is vested with the authority and responsibility of enforcing and implementing this Policy.

3.08.300 Procurement and Contract Administration. The District's General Manager shall serve as the District's Purchasing Agent and will implement and administer this Policy in consultation with the District's General Counsel. The Purchasing Agent may delegate his or her duties as the Purchasing Agent to other District employees as he or she deems appropriate. The District shall conduct all contracting for goods and services in accordance with this Policy and under the administration of the Purchasing Agent or his or her designee.

3.08.400 Appropriated Funds. The District shall only procure goods and services for which the Board of Directors has appropriated funds.

3.08.500 Solicitation for Bids.

A. Formal Solicitation of Sealed Bids for Expenditures Exceeding $25,000

When any expenditure (services, supplies, materials, labor or other valuable consideration to the District) is expected to exceed $25,000, the District shall publish a notice inviting bids a minimum of ten (10) days prior to the time of receiving bids, in a general circulation newspaper published within the District boundaries. This type of formal bidding process typically includes the issuance of written plans or specifications describing the goods or services to be provided and the receipt of written bids from the vendors or contractors involved. In addition to publication of the notice inviting bids, the Project Manager shall solicit a minimum of three (3) vendors or contractors to bid on the project when it is feasible to do so.

Following Board approval, the Purchasing Agent or designee shall then execute the contract, unless the Board President's signature is required. When required by law, the contract shall be awarded to the lowest responsible, responsive bidder, in accordance with the Public Contract Code. The District shall award all other contracts to the bidder whose bid is in the District's best interests. In situations where the District only receives one responsive bid from the formal solicitation, the District may negotiate with and award the contract to the sole bidder. At its discretion, the District may reject all bids and re-advertise the project.

B. Informal Solicitation of Bids for Expenditures Not Exceeding $25,000

When any expenditure is not expected to exceed $25,000, the project manager shall solicit a minimum of three (3) vendors or contractors to submit written proposals. Written entries documenting that three written proposals were solicited shall be noted by the Project Manager in the project file. The Purchasing Agent may require additional bids. The Purchasing Agent's approval of the contract (if applicable) is required, unless he or she delegates this approval authority in writing to another District employee.

3.08. 600 Exceptions to Standard Purchasing Procedures.

A. Emergency Conditions

In the case of such an Emergency, the Purchasing Agent may authorize the lead operator, operations supervisor or his or her designee to secure, in the open market, at the lowest obtainable price, any services, supplies, material or labor required to respond to the Emergency, regardless of the amount of the expenditure. The purchase order should indicate "Emergency Conditions" with written documentation of the nature of the Emergency and lowest obtainable price information. The Purchasing Agent shall, as soon as possible, provide a full written explanation of the circumstances to the Board.

In the case of a disaster or for civil defense, nothing contained in this Policy shall limit the authority of the Purchasing Agent to make purchases and take such other emergency steps as are or may be authorized by the Board.

B. Limited Availability/Sole Source

Occasionally, necessary supplies, material, equipment, or services are of a unique type, are of a proprietary nature, or are otherwise of such a specific design or construction, or are specifically necessary for purposes of maintaining cost-effective system consistency so as to be available from only one source. The Purchasing Agent may dispense with the requirement of competitive bids and recommend negotiating a fair price and making the purchase from a specific business or supplier if: (1) no other supplier can be found after reasonable efforts by District staff to find alternative suppliers; (2) the specific item is integral to repair or enhance existing equipment; (3) only one contractor is capable of providing the required service; (4) the specific item is essential to maintaining District standards or research continuity; or (5) only one source is known for a specialized item of equipment or material. The basis for the sole source recommendation shall be documented in writing on the contract or purchase order and approved, in advance, by the Board for purchases exceeding $25,000, and the Purchasing Agent or other authorized District employee, under this policy for purchases not exceeding $25,000.

C. Cooperative Purchasing

The District shall have the authority to join in cooperative purchasing agreements with other public agencies, (e.g. the State of California or other counties, cities, or special districts), to purchase goods or services at a price established by that agency through a competitive bidding process consistent with California public bidding requirements. The Purchasing Agent may authorize participation in cooperative purchasing agreements and may execute such agreements subject to the following:

1. Purchases Exceeding $25,000

The formal competitive bidding procedures of Section 3.08.500A for purchases exceeding $25,000 are not required when another public agency has secured a price through a formal, advertised competitive bidding process in which the District is an authorized participant. Board approval is required prior to purchase

2. Purchases Not Exceeding $25,000

Completion of the bidding procedures of Sections I.B and I.C for purchases not exceeding $25,000 is not required when another public agency has secured a price through a competitive bidding process in which the District is an authorized participant. Approval from the Purchasing Agent or his/her authorized designee is required prior to purchase.

D. Professional Services

1. Definition and Restrictions

Professional Services are of a technical and professional nature and, due to the nature of the services to be provided, do not readily fall within the "low bid" competitive bidding process. In addition, State law requires that selection of professional consultants in the categories of architects, landscape architects, engineers, surveyors, and environmental consulting be made on the basis of demonstrated competence and the professional qualifications necessary for the satisfactory performance of the required services. Professional consultants should be individually selected for a specific project or problem with the objective of selecting the most qualified consultant at a price that is fair and reasonable. Professional service agreements shall not be split into smaller units, nor shall contract amendments be used, for the purpose of circumvention of the expenditure limits of this policy.

As used in this Policy, "Professional Services Agreement" shall mean and include all Professional Services provided by the same consultant, which are provided as part of or related to the same project or program for which the consultant is being retained. Consultants who are retained to provide services on an ongoing basis, such as geotechnical peer reviews of District projects, shall be retained by means of an annual service agreement unless an agreement providing for renewal or extension of services has been approved pursuant to Section 3.08. 600 D.3. Of this Policy.

A. For selection of architects, landscape architects, engineers, surveyors, and environmental consultants, the following procedures shall apply unless the services needed from such consultants are more of a technical nature and involve little professional judgment.

Cost is not to be included in the Request for Qualifications ("RFQ") or Request for Proposal ("RFP"). Only after a firm is selected is compensation negotiated. The scope of work is the basis for negotiations for payment. If the parties cannot agree on fair compensation, negotiations may be formally terminated with the firm considered to be most qualified, and may be commenced with the second highest-rated firm. Such procedure may be repeated until an agreement is reached with a qualified firm.

Alternatively, a fee or cost estimate can be requested at the time of the RFP by requiring it to be provided in a separate, sealed envelope. The fee estimate will only be opened after selecting the successful consulting firm.

B. For consultants who do not fall under the qualifications-based selection method described above, or where the services needed from the vendors listed above is more of a technical nature and involve little professional judgment, cost can be included in the RFQ/RFP and used in ranking the consultants for selection. Examples of such consultants include, but are not limited to: training, safety, recruitment, personnel services, economic analysis, city

and regional planning, property appraisals/analysis, property acquisition, title insurance, facilitators, legal services, financial services, and data processing.

2. Selection Procedures for Professional Services

When the cost for professional services is expected to be in excess of $25,000, the District shall prepare either a Request for Qualifications (RFQ), a two-step process, if a large response pool is expected or a Request for Proposal (RFP), a one-step process, if a smaller response pool is expected. Both should include the professional's qualifications, relevant experience, described approach, staffing and support. The RFQ respondents can be shortlisted to a minimum of three (3) qualified firms or individuals, who will then be invited to submit a written proposal. The proposal should outline the terms, conditions and specifications of the services required by the District.

District staff will review the proposals received, rank the consultants based upon the following criteria, and invite the most qualified firms for interviews.

A. Ability of the consultants to perform the specific tasks outlined in the RFP/RFQ.
B. Qualifications of the specific individuals who will work on the project.
C. Quantity and quality of time key personnel will be involved in their respective portions of the project.
D. Reasonableness of the fee requested to do the work; comparability of fee to similar services offered by other qualified consultants (except where fee is to be negotiated later, as described above in Section 3.08. 600. D.1 of this Policy).
E. Demonstrated record of success by the consultant on work previously performed for the District or for other public agencies or enterprises.
F. The specific method and techniques to be employed by the consultant on the project or problem.
G. Ability of the consultant to provide appropriate insurance in adequate amounts, including errors and omissions if applicable.
H. Responsiveness to the RFP/RFQ.

The report to the Board shall summarize the basis for staff's consultant selection recommendation and the ranking of the consultants based upon these criteria.

3. Renewal of Contracts for Professional Services

The District may, after following required consultant selection procedures, enter into Professional Services agreements which contain provisions authorizing their extension or renewal. Recommendations to extend or renew an existing a Professional Services agreement should include a written evaluation of the work performed by the consultant as well as a determination that the rationale for providing for the renewal option in the existing contract remains valid and that the fees being charged are comparable to fees for similar services offered by other consultants at the time of renewal or extension. A contract renewal recommendation shall be entered on the contract amendment. If the total amount of the contract renewal does not exceed $25,000, the Purchasing Agent or his/her authorized designee may execute a contract amendment to formalize the renewal. If the total amount of the original agreement and any amendments exceed $25,000, prior Board approval must be obtained.

4. Conflict of Law

These procedures are not applicable where superseded by local, state or federal law, where the terms of grant funding provide for the use of other consultant selection procedures, or where the District is obligated to select consultants through the use of different procedures, such as the requirements of an insurance or self-insurance program.

5. Special Circumstances

These professional consultant selection procedures are not applicable when if it is appropriate and in the best interest of the District under the specific circumstances of the project at issue, to limit the number of consultants solicited. Examples of such specific circumstances may include the following: (a) the need to take immediate action on a project precludes the District's ability to follow these procedures; (b) the absence of any fiscal or competitive advantage in following these procedures; (c) only one consultant is known to be available and capable of providing needed services within the required time; (d) the services to be provided are so unique that only one known consultant is qualified and available to perform them; or (e) the terms of a legal mandate or negotiated agreement require the use of a particular consultant. The basis for such action shall be documented in writing and noted in the contract and approved by the Purchasing Agent or designee. When Board approval is required, the documented basis for such action shall be included in the report to the Board.

6. Prequalified Consultant File

District staff may maintain a current file of consultants in their appropriate professional services categories after the selection procedures have been followed in this policy and a determination made that a consultant is qualified and competent. District staff may maintain this "prequalified consultant" file for a period of two (2) years from determination of the qualification of such consultant. District may select a prequalified consultant from this file for services.

3.08.700 Public Works.

When a project qualifies as a public works project, additional state law requirements apply.

A. Definition of Public Works Project.

Pursuant to California Labor Code section 1720 et. seq. a public works project means: (1) construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, "construction" includes work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work. For purposes of this paragraph, "installation" includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems; (2) Work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type, but not including the operation of the irrigation or drainage system of any irrigation or reclamation district, except as used in California Labor Code section 1778 relating to retaining wages; (3)Street, sewer, or other improvement work done under the direction and supervision or by the authority of any officer or public body of the state, or of any political subdivision or district thereof, whether the political subdivision or district operates under a freeholder's charter or not; (4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds; (5) The laying of carpet in a public building done under contract and paid for in whole or in part out of public funds; and (6) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

B. Notification to Department of Industrial Relations.

When awarding a contract for a public works project, the District shall submit an online form (PWC-100 form) to the Department of Industrial Relations within five (5) days of the award, as required under the California Labor Code.

C. Notice Requirement.

Beginning January 1, 2015 any document requesting bids on a public works project that is issued by the District shall include the following information:

1. No contractor or subcontractor may be listed on bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 (with limited exceptions from this requirement for bid purposes only under California Labor Code section 1771.1(a)).

2. No contractor or subcontractor may be awarded a contract for a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to California Labor Code section 1725.5.

3. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

D. Prevailing Wages.

When the procurement is for a public works project, as defined in California Labor Code Section 1720 et. seq. for an amount exceeding one thousand dollars ($1,000.00), the District shall require that prevailing wages be paid to laborers working on the project, as required under state law.

3.08.800 General Provisions.

A. Conflict of Interest

No District employee or elected official shall be financially interested, directly or indirectly, in any purchase, contract, sale, or transaction to which the District is a party and which comes before said official or employee for recommendation or action. Any purchase, contract, sale, or transaction in which any employee or official is financially interested shall become void at the election of the District. No employee or elected official shall realize any personal gain from any purchase, contract, sale, or transaction involving the District. When any staff member is in doubt as to whether there exists a conflict of interest, that employee shall consult with the General Counsel, and another employee may be assigned to facilitate the purchase.

B. Purchase of Recycled Products

District staff shall purchase recycled products whenever such products are available at equal cost to non-recycled products and when suitability and quality are equal. When recycled products are used, the supplier shall label the products to indicate that they contain recycled materials, and specify the minimum percentage of recycled material in the products.

C. Violations of This Policy

Employees are subject to disciplinary action up to and including termination for violation of this Policy.

Chapter 3.10
WHISTLEBLOWER POLICY

(Amended Resolution 2012-12)

3.10.100 Whistleblower Policy. The District requires its Directors, Managers and Employees to observe high standards of professionalism and ethical conduct in maintaining financial records. This Whistleblower Policy (the "Policy") establishes standards and procedures to ensure that complaints and concerns ("Accounting Irregularity") regarding accounting or auditing matters are reported and handled in a manner that complies with management's objectives. In addition, this policy establishes procedures for:

1. The confidential, anonymous submission by complainants (defined below) of Accounting Irregularities regarding questionable accounting or auditing matters; and,

2. The treatment of Accounting Irregularities concerning accounting, internal account controls and auditing matters received by the District from Complainants.

3.10.161 No Retaliation No office, employee or other (the "Complainant") who in good faith reports an Accounting Irregularity shall suffer harassment, retaliation or adverse employment consequences. An employee who retaliates against someone who has reported an Accounting Irregularity in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable Complainants to raise serious concerns with District rather than seek resolution outside District.

3.10.105 Procedure for Report Violations

1. It is the responsibility of all Directors, Managers and Employees to report all suspected Accounting Irregularities in accordance with this Policy. District maintains an open door policy and suggests that Complainants share their questions, concerns or complaints with someone who can address them properly. In most cases, the Complainant's supervisor is in the best position to address an area of concern. A Complainant's supervisor may be most knowledgeable about the issues and will appreciate being brought into the process. It is the supervisor's responsibility to help solve the problem.

2. If the Complainant is not comfortable speaking to his/her supervisor or is not satisfied with the supervisor's response, the Complainant is encouraged to speak with the General Manager. Supervisors and General Manager are required to report suspected Accounting Irregularities to the Board of Directors. The Board of Directors will create an Ad Hoc Committee which has specific and exclusive responsibility to investigate all reported violations. For suspected fraud or securities law violations, or when the Complainant is not satisfied or is uncomfortable with following District's open door policy, the Complainant should contact the General Manager directly.

RLECWD General Manager
P.O. Box 400
Rio Linda, CA 95673
(916) 991-1000
(916) 991-6616 fax

3.10.110 Investigation of Complaints

1. The Ad Hoc Committee is responsible for investigating and resolving all reported complaints and allegations concerning Accounting Irregularities. The Ad Hoc Committee may retain independent legal counsel, accountants or others to assist in its investigation.

2. The Chair of the Ad Hoc Committee will notify the Complainant and acknowledge receipt of the reported suspected Accounting Irregularity within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted as a result of the investigation.

3. District shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Ad Hoc Committee.

3.10.115 Accounting and Auditing matters The Ad Hoc Committee is responsible for addressing all reported concerns or complaints regarding accounting practices, internal controls or auditing. The General Manager is required to immediately notify the Board of Directors of any complaint of which he/she is aware and to work with the Committee until the matter is resolved.

3.10.120 Acting in Good Faith Anyone filing a complaint concerning a suspected Accounting Irregularity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Accounting Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

3.10.125 Confidentiality Complaints or submissions concerning a suspected Accounting Irregularity may be submitted on a confidential basis by the Complainant or may be submitted anonymously. All complaints or submissions will be kept confidential to all extent possible, consistent with the need to conduct an adequate investigation.

Chapter 3.11
PAYMENT OF CLAIMS

(Resolution 1996-11-02)

Sections:

3.11.100 Claims and Demands
3.11.110 Claims Accepted from the Tort Claims Act
3.11.200 Salaries and Wages

3.11.100 Claims and Demands. All claims and demands against the District shall be submitted in writing on a form prescribed by the District to the General Manager who shall review them to determine if, under Division 3.6 of Title 1 of the Government Code, they may be paid in the form in which they are submitted. If approved by the General Manager any claim or demand which does not conform to the adopted Budget shall be submitted to the Board of Directors for approval or rejection prior to the drawing of a check. If a demand is certified by the General Manager as conforming to the adopted Budget it shall be deemed to have been authorized by the Board and a check may be drawn in payment. A list of such checks shall then be presented to the Board of Directors for ratification at the first meeting after the delivery of the checks.

3.11.110 Claims Accepted from the Tort Claims Act.

1. Claims for money or damages which are excepted by Section 905 of the Government Code from the requirements of Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Division 3.6 of Title 1 of the Government Code, and which are not governed by any other statutes or regulations expressly relating thereto, shall be governed by the procedure prescribed in this section.

2. A claim must be presented and acted upon as required herein as a prerequisite to suit thereon. Any action brought against the District on such a claim shall be subject to the provisions of Section 945.6.

3. The procedure for submission of a claim pursuant hereto shall be the same as that required for a claim not excepted by Section 905 of the Government Code.

3.11.200 Salaries and Wages. Salaries and wages shall be paid to officers and employees of the District semimonthly. Payroll checks shall be treated as budgeted demand checks.

Chapter 3.15
RECORDS RETENTION POLICY

(Resolution 2015-03 Approved July 20, 2015)

Sections:

3.15.100 Purpose
3.15.200 Description of Vital Records
3.15.300 Record Destruction Authority
3.15.400 Qualifications for Retention and Disposal of Records
3.15.500 Minutes
3.15.600 Definitions for Records Retention and Disposal Policy
3.15.700 Vital Records

3.15.100 Purpose. The purpose of this policy is to: provide guidelines to staff regarding the retention or disposal of Rio Linda/Elverta Community Water District records; provide for the identification, maintenance, safeguarding and disposal of records in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

3.15.200 Description of Vital Records. Vital and important records, regardless of recording media, are those having legal, financial, operational, or historical value to the District.

3.15.300 Record Destruction Authority. The General Manager is authorized by the Board to interpret and implement this policy, authorize the transfer of records to the records center and to cause to be destroyed any or all such records, papers, and documents that meet the qualifications governing the retention and disposal of records specified herein.

3.15.400 Qualifications for Retention and Disposal of Records Pursuant to the provisions of California Government Code §§60200 through 60203, California Water Code §21403, and the guidelines prepared by the State Controller's office and the Controller's Advisory Committee for Special Districts, the following qualifications will govern the retention and disposal of records of the Rio Linda/Elverta Community Water District.

3.15.410 Duplicate Records Duplicate records, papers and documents may be destroyed at any time without the necessity of Board authorization or copying to photographic or electronic media.

3.15.420 Uncategorized Records Originals of records, papers and documents more than two years old that were prepared or received in any manner other than pursuant to State or Federal statute may be destroyed without the necessity of copying to photographic or electronic media, unless a longer retention period is specifically provided.

3.15.430 Documents in Use In no instances are records, papers or documents to be destroyed where there is a continuing need for such records for such matters as pending litigation, auditing purposes, project financing or regulatory agency reporting purposes.

3.15.440 Procedure for Destroying Records Records, papers or documents that are not expressly required by law to be filed and preserved, but required under this policy to be kept, may be destroyed if all of the following conditions are met:

3.15.441 The record, paper or document is photographed, micro photographed, reproduced on film of a type approved for permanent photographic records by the National Bureau of Standards, or copies are made to an approved electronic media;

3.15.442 The device used to reproduce such, record paper or document on film, or retrieves and prints the document from the electronic media, is one which accurately reproduces the original thereof in all details; and,

1. The photographs, microphotographs, or other reproductions on film are placed in conveniently accessible files and provisions are made for preserving and examining said documents.

2. Any accounting record, except journals and ledgers, that are more than three years old and which were prepared or received in any manner other than pursuant to State statute may be authorized for destruction, provided that:

(A) There is no continuing need for said record for pending litigation, auditing purposes, project financing or regulatory agency reporting and;

(B) There exists in a permanent file, an audit report or reports covering the inclusive period of said record, and that;

(C) Said audit report or reports *were* prepared pursuant to procedures outlined in Government Code Section 26909 and other State or Federal audit requirements, and

(D) Said audit or audits contain the expression of an unqualified opinion.

3.15.460 Accounting Record Any accounting record created for a specific event or action may be destroyed three years after said event has in all respects terminated. Any source document detailed in a register, journal, ledger or statement may be authorized for destruction three years from the end of the fiscal period to which it applies.
The following may be destroyed at any time:

1. Duplicated Documents (original-subject to aforementioned requirements).

2. Rough drafts, notes or working papers.

3. Cards, listings, nonpermanent indices, other papers used for controlling work or transitory files.

3.15.470 All payroll and personnel records shall be retained indefinitely. Originals for terminated employees may be destroyed after three years retention, provided said records have been preserved in accordance with Section 3.15.440 above. Payroll and personnel records shall include the following:

1. Accident reports, injury claims and settlements.
2. Medical histories.
3. Worker Compensation Records.
4. Applications, changes, and terminations of employees.
5. Insurance records of employees.
6. Time Sheets or cards.
7. W-2's and other IRS forms.
8. Performance evaluations.
9. Earning records and summaries.
10. Retirement documents.
11. Such other documents as determined by the General Manager to be retained.

3.15.480 District Property Appraisal Records All District property appraisal records may be destroyed after three years retention provided such records do not have to be retained to satisfy other requirements established for financing or grant award purposes.

3.15.490 District Financing Records Records authorizing long-term debt, bonds, warrants, loans, grants or other financing methods may be destroyed after issuance or execution, provided they are reproduced in accordance with Section 3.15.440 above. Terms and conditions of bonds, warrants, loans, grants, and other long-term agreements should be retained until final payment, and thereafter may be destroyed after five years. Paid bonds, warrant certificates, and interest coupons may be destroyed after six months if detailed payment records are kept for five years.

3.15.500 Public Meetings Minutes of the meetings of the Board of Directors are usually retained indefinitely in their original form. However, they may, upon specific Board authorization, be destroyed if said minutes are reproduced as provided for in Section 3.15.440 above. Recording tapes (or other media) of Board meetings will be kept for a period of three years from the date of the recorded meeting, after which they will be destroyed.

3.15.510 Construction Records Construction records, such as bids, correspondence, change orders, contracts, certified payrolls, progress payment claims, claims for changed conditions and related construction documents shall be kept for three years after the Notice of Completion is approved and any warranty period has expired. Provided, however, such retention period shall not be less than the time periods required by any state or federal funding agency involved in the financing of any specific project. As-built plans for any public facility or works shall be retained as long as deemed necessary by the General Manager for the proper operation and maintenance of the system.

3.15.520 Contracts Contracts should be retained for its life plus three years. Any unaccepted bid or proposal for the construction or installation of any building, structure or other public work that is more than two years old may be destroyed.

3.15.530 Property Records Unless otherwise provided herein, property records, such as documents of title, shall be kept until the property is transferred or otherwise no longer owned by the District.

3.15.540 Confidentiality Nothing in this policy shall be interpreted to make District records deemed confidential by state or federal statute, regulation, order or court adjudication available for public review.

3.15.600 DEFINITIONS FOR RECORDS RETENTION AND DISPOSAL

3.15.610 Authorization. Approval from the General Manager, as authorized under this policy by the District's Board of Directors.

3.15.620 Records (Financial, Accounting, Payroll, Personnel and Miscellaneous) including, but are not limited to the following:

1. SOURCE DOCUMENTS
A. Invoices
B. Warrants
C. Requisitions/Purchase Orders (attached to invoices)
D. Cash Receipts
E. Claims (attached to warrants in place invoices)
F. Bank Statements
G. Bank Deposits
H. Checks
I. Bills

J. Various accounting authorizations taken from Board minutes, resolutions or contracts

2. JOURNALS
A. Cash Receipts
B. Accounts Receivable or Payable Register
C. Check or Warrant (payables)
D. General Journal
E. Payroll Journal
F. Assets/Depreciation

3. LEDGERS
A. Expenditure
B. Revenue
C. Accounts Payable or Receivable Ledger
D. Construction
E. General Ledger
F. Assets/Depreciation

4. TRIAL BALANCE

5. STATEMENTS (Interim or Certified- Individual or All Fund)
A. Balance Sheet
B. Analysis of Changes in Available Fund Balance
C. Cash Receipts and Disbursements
D. Inventory of Fixed Assets (Purchasing)

6. JOURNAL ENTRIES (i.e. Master Ledger)

7. PAYROLL AND PERSONNEL RECORDS include but are not limited to the following:
A. Accident reports, injury claims and settlements
B. Applications, changes or terminations of employees
C. Earnings records and summaries, including 'vV-2 and other IRS forms
D. Fidelity Bonds
E. Garnishments
F. Insurance records of employees
G. Workers Compensation records
H. Medical Histories
I Retirements
J. Time Sheets or Cards

8. OTHER RECORDS
A. Inventory Records (Purchasing)
B. Capital Asset Records (Purchasing)
C. Depreciation Schedule
D. Cost Accounting Records
E. Board Meeting Minutes
F. Board Authorized Committee Meeting Minutes not retained by an outside agency
G. Tapes or other audio or video recordings of Board Meetings
H. Insurance Policies and Claims

3.15.630 Life. The term or operational or valid dates of a document.

3.15.640 Record. Any paper, bound book or booklet, card, photograph, drawing, chart, blueprint, map, tape, electronic media, microfilm, or other document, issued by or received by the District, and maintained and used as information in the conduct of its operations. A record shall not include notes, working papers, drafts not released for public review, or any other similar document.

3.15.650 Record copy. The official District copy of a document, record or file.

3.15.660 Record series. A group of records, generally filed together, and having the same reference and retention value.

3.15.670 Records Center. The site selected for storage of inactive records.

3.15.680 Records Disposal. The planning for and/or the physical operation involved in the transfer of records to the Records Center, or the authorized destruction of records pursuant to the approved Records Retention Schedule.

3.15.690 Records Retention Schedule. The consolidated, approved schedule list of District records provided in Section 3.15.700 that establishes a timetable for the life and disposal of records.

3.15.700 Vital Records. Records that because of the information they contain, are essential to one or all of the following:

1. The resumption and/or continuation of operations;
2. The re-creation of the legal and financial operations of the District in case of a disaster;
3. The fulfillment of obligations to bondholders, customers, and employees.

3.15.710 Examples of Vital Records. Vital records include but are not limited to the following:

(1) Contract and Agreements (Active)
(2) Annexations and Attachments
(3) As-built Drawings
(4) Audits
(5)Engineered Drawings and Standard Specifications
(6)Customer Billing Records (Current)
(7) Deeds, Easements, Right of Ways Property Records
(8) Depreciation Schedule
(9) District Insurance Records (Current)
(10) District Water Rights Permits, and Documents
(11) Employee Accident Reports, Claims, Settlements (Current Fiscal Year) (12) Employee Earning Records
(13) Employee Fidelity Bonds
(14) Employee Insurance Records
(15) Water Service Permits (by others)
(16) Encroachment Permits
(17) Water Master Plan
(18)Improvement District Documents
(19)Environment Documents and Permits (Current)
(20) Current-year Budget
(21) Active Litigation Files
(22) Individual Claims/settlements (within 2 Years)
(23) Inventory
(24) Journal Vouchers
(25) Ledgers
(26) Licenses & Permits (to operate)
(27) Loans, Bonds and Grant Materials (Active)
(28) System Maps
(29) Minutes of Board Meetings
(30) Payroll Register
(31) Policies, Rules & Regulations (Current)
(32) Purchase Orders & Requisitions (Current Fiscal Year)
(33) Restricted Materials Permits
(34) Employee Personnel Files
(35) Title to Vehicles and Equipment
(36) Security Plans
(37)Computer Backup Files
(38)Warrant Voucher Register
(39) Warrants (with backup)

3.15.720 Records Retention Schedule. The following retention schedule identifies the length of time a District record must be retained in active storage before it can be placed in permanent storage or destroyed. The retention period is the period of time during which records must be kept before final disposition into permanent storage or destruction. The column for retention period includes a coded abbreviation and a number. The coded abbreviation represents the triggering event that commences the retention period. The number represents the number of years (unless otherwise noted) that the District must keep the record. The retention schedule provides a time period that each record must be kept in active storage in District facility and a time period that the original record must be kept in archived storage.

The coded abbreviations are as follows:

A = Active	AD = Adoption
AU = Audit	CL = Closed/Completion
CU = Current Year	DOB = Date of Birth
E = Election	L = Life
P = Permanent	T = Date of Termination
S= Record is Superseded	

The following is the District's retention schedule:

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
FINANCE		
Accounting Records		
Bank Deposits	AU	AU + 2
Bank Statements	AU	AU + 5
Purchase Orders (retained copy)	AU	AU + 2
Warrants, Checks	AU	AU + 7
Journal Vouches	AU	AU + 7
Ledgers	AU	AU + 7
Trial Balance (general ledger)	AU	AU + 2
Balance Sheet	AU	AU + 2
Budget	AU + 5	P
Audits	AU + 10	P
Audit Review or Hearing Documentation	AU	AU + 2
Improvement Districts	L + 5	P
Loans & Grants	L	L + 5
Registers		
• Cash Receipts	AU	AU + 5
• Security Deposits	AU	AU + 5
• Payroll	AU	AU + 5
• Warrant Voucher	AU	AU + 5

Meter Books	AU	AU + 5
Depreciation Schedules	AU	AU + 5
Annual Financial Report	CL	CL + 2
Bonds (Final Bond Documentation)	CL	CL + 10
Grants	CL	CL + 5
PERSONNEL		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Payroll, personnel forms and authorizations	CU	CU + 3
Vehicle Mileage Reimbursement Rates	S	S + 2
Travel Records	CU + 2	CU + 2
Bonds and Garnishments	T	T + 3
Accident Reports, Injury Claims & Settlements	CL	CL + 3
Employee Rights (greivances, union requests, sexual harassment, civil rights, disciplinary actions, etc.)	T	T + 6
Benefit Plan Claims	P	P
Denial of Benefit Plan Enrollment	CL	CL + 4
DMV Reports	CL	CL + 7
Immigration Earning Records	T	T + 3
IRS Forms	CU	CU + 3
Employee Handbook	S	S + 2
Employee Programs (EAP, etc.)	CL	CL + 2
Medical Leave	CL	CL + 30
Negotiation (notes, correspondence, MOUs)	S + 2	P
Employment Test Results (Non Hires)	CL	CL + 2

Employment Applications, Tests, Changes, Terminations	T	T + 3
Employee Insurance Records	T	T
Job Descriptions	S	S + 3
Job Announcements, Recruitment Materials, Eligibility Lists	CL	CL + 3
Performance Evaluations & Disciplinary Actions	T	T + 6
Retirements	L	L
Time Sheets or Cards	CL	CL + 5
Employee Training Records	CU + 7	
OPERATIONS AND MAINTENANCE RECORDS		
Bacteriological Analysis	CU	CU + 5
Chemical Analysis	CU	CU + 10
Reports and Surveys from State Agencies	CU	CU + 10
Customer Complains	CU	CU + 2
Work Orders	CU	CU + 2
Water Rights and Water Permits and Licenses	L	L + 5
Master Plans	L + 5	P
Groundwater and Project Studies	L + 5	P
Construction photos and videos	L	L + 5
OSHA and other agency Certificates and Permits	L	L + 2
Underground Service Alert	CU	CU + 2
Monthly Operations Reports	CU	CU + 2

ENGINEERING		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Construction Project Inspection Reports	CL	L + 7
Construction Videos and Photos	CL	L + 7
Reports, Plans, Studies Contracted by District	CL	CL + 7
Bids, Proposals and Notices	CL	CL + 3
Contract and As-Built Drawings and Submittals	CL + 7	P
Construction Related Correspondence	CL	CL + 7
Permits (Issued by Others_	L	L + 3
Environmental Impact Studies and Reports	L	L + 3
Maps	L	P
Easements, Encroachments and Deeds	L	L

MISCELLANEOUS		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**
Correspondence (To or From District)	CU	CU + 2
Staff and Committee Reports	CU	CU + 2
Agreements, Contracts, Leases	T + 4	P
Legal Opinions	CU	CU + 5
Annexations and Detachments	S	P
Policies, Rules and Regulations	S	S + 5
Press Releases and Newsletters	CU	CU + 2

PURCHASING RECORDS		
Record	**Retention Period (Years Unless Specified)**	
	Active (Office)	**Inactive (Archives)**

Purchase Orders and Requisitions (with backup)	CL	CL + 3
Inventory Records	CU	CU + 3
Disposal of Surplus Property	CU	CU + 3
Bids and Quotes	CL	CL + 2
Maintenance Agreements	L	L + 4

ADMINISTRATION

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
Agendas (Board)	CU + 2	P
Minutes (Board)	CU + 5	P
Resolutions and Ordinances	P	P
Public Records Act Requests	CU+1	CU+1

ELECTIONS/POLITICAL

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
Elections Materials and Results	E	E + 5
Proposition 218 Ballots	E	P
Canvass	E	P
Campaign Statements, Conflict of Interest	CU	CU + 5
Campaign Disclosure (Elected)	E	P
Campaign Disclosure (Not Elected)	E	E + 5
Candidate Statements	E	E + 4
Statement of Economic Interest (Elected)	T	T + 7
Statement of Economic Interest (Not Elected)	E	E + 5
Oaths of Office	T	T + 6

RISK MANAGEMENT

Record	Retention Period (Years Unless Specified)	
	Active (Office)	Inactive (Archives)
Insurance	CU	CU + 5

Accident Reports	CL	CL + 7
Bonds, Insurance	CU +3	P
Incident Reports	CL	CL + 7
Insurance (Joint Powers Agreement)	CL + 4	P
Worker's Compensation Insurance and Claims	CU + 4	P
Risk Management Reports	CU	CU + 5
Suits, Claims, Liens where District is Party	CL + 5	P

Chapter 3.21
RISK CONTROL
(Resolution 1996-11-02)

Sections:

3.21.100 General Statement Regarding Risk
3.21.104 Statement of Risk Management Program Goals and Objectives
3.21.108 General Statement of Risk Management Policies
3.21.120 General Statement of Risk Management Responsibilities of District Employees
3.21.124 General Manager as Risk Manager; Duties
3.21.128 Risk Management Duties of District Counsel
3.21.136 Risk Management Duties of All Employees
3.21.140 Loss Control Considerations For Members of the Board of Directors
3.21.200 Contract Guidelines: Purpose
3.21.204 Consulting Contracts: Written Contracts
3.21.208 Minor Construction Contracts: Contract Form
3.21.212 Consulting and Minor Construction Contracts: Risk Minimization
3.21.220 Major Construction Contracts: Written Contract
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3.21.500 Employee Injury and Illness Protection Program: Purpose
3.21.504 General Health and Safety Policies
3.21.508 General Health and Safety: Employee Requirements
3.21.512 Personal Protective Safety Equipment
3.21.516 Employee Safety and Health Training
3.21.605 Accident Policy
3.21.610 Employee Injury
3.21.615 Accidents Involving District Owned Vehicles
3.21.620 Drug Testing Following An Accident
3.21.900 Administrative Directives

3.21.100 General Statement Regarding Risk. The District recognizes that through its services and statutory obligations the District will be unavoidably exposed to a variety of risks of loss from occurrences involving damage to property, loss of income, extra expenses, liability to others, and injury to employees. The District is self-insured through a risk sharing pool with other similar water agencies. Both minor and significant losses represent cash and/or other asset losses to the District. It is the objective of the Board of Directors to limit these losses in order to protect District ratepayers from inordinate rate increases to replace said assets.

3.21.104 Statement of Risk Management Program Goals and Objectives. The goals and objectives of the District's Risk Management Program are to:

1. To protect the District against the financial consequences of accidental losses which may be catastrophic in nature.
2. To protect the District's assets.
3. To safeguard that all exposures to financial loss are discovered and treated.
4. To reduce other financial losses by using efficient reduction procedures.

5. To ensure a safe environment for employees and for members of the public who come into contact with these employees as services are provided.

6. To minimize the possible interruption of vital public services.

7. To reduce the cost of accidents, including insurance premiums, through effective safety programs and practices.

8. To periodically reassess the District's various exposures to loss, ability to bear financial loss, and the adequacy of its risk avoidance, prevention, reduction, retention and transfer programs.

9. To minimize the long term costs of all risk management activities, through cost effective loss control, claims handling, and risk financing.

3.21.108 General Statement of Risk Management Policies. The general Risk Management policies of the District are that:

1. The District will provide safe working conditions for its employees. Under no circumstances will the risk of serious injury or death of employees be considered an acceptable risk.

2. The designated Risk Manager shall have responsibility and authority to administer the District's risk management program, including insurance procurement. The Risk Manager shall be assisted by any staff or consultants retained to provide risk management assistance.

3. The costs of risk shall be minimized through the sound application of risk avoidance, prevention, reduction, retention and transfer techniques.

4. The Risk Manager will periodically assess, subject to governing body appropriations, the District's exposures to risk and the effectiveness of existing risk management programs, and make recommendations for improvements.

5. Procurement of all District insurance will be administered by the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) with District participation of JPIA policy development through membership on the Board of Directors of the JPIA.

6. Self-insured retentions and reserves shall be maintained and budgeted within a separate fund. No expenditures for self-insurance shall be included in the current budget of the District.

7. Administrative policies, procedures and guidelines will be established to avoid, prevent, reduce, retain or transfer risks.

3.21.120 General Statement of Risk Management Responsibilities of District Employees. The success of a risk management program depends on support from key individuals such as the Board of Directors and the General Manager. It is also essential that all employees be actively involved with the day-to-day aspects of safety, loss control and risk reduction.

3.21.124 General Manager as Risk Manager; Duties. The General Manager serves as the District's designated Risk Manager. The Risk Manager shall perform, and shall designate an employee as Safety Officer to assist in the performance of, the following risk management duties:

1. To implement the Risk Management Program and measure program effectiveness and performance.

2. Allocate risk management costs on an equitable basis to all departments.

3. Oversee the assignment and investigation of claims.

4. Monitor the risk management and loss control program and report results.

5. Develop risk management administrative policies, procedures and programs, and communicate them to all appropriate parties.

6. To periodically assess, subject to Board appropriations, the District's exposures to risk and the effectiveness of existing risk management programs, and make recommendations for improvements.

7. To see that claims by the District against others are filed and settled.

8. To maintain current records on insurance, property valuations, vehicle and equipment schedules, insurance registers, claims, and loss experience.

9. To serve as a primary reception point for all claims for damages filed with the District.

10. To stamp, record, file and distribute all Claims for Damages.

11. To file and maintain records of all Claims, Insurance Policies, Contracts, etc. related to Risk Management.

12. To keep a file of all reported complaints and requests for District service.

13. To assure that equipment, facilities and programs have safety measures built into them, and that appropriate OSHA and Consumer Safety Product Commission guidelines are considered.

14. To maintain and promote safe and healthful working conditions, including establish a training program.

3.21.128 Risk Management Duties of District Counsel. The risk management duties of the District Counsel are:

1. To coordinate with legal counsel assigned to claims by the JPIA.

2. To review all agreements, contracts, deeds, easements, and other legal documents for form and compliance to the insurance, hold harmless, and indemnification standards of the District.

3. To resolve and/or defend claims and suits, as required, in consultation with the JPIA.

3.21.136 Risk Management Duties of All Employees. The risk management duties of all employees are:

1. To promote safety among co-workers and ensure that good communications on all risk and safety matters are achieved.

2. To aid new employees by pointing out job safety practices.

3. To apply the principles of accident prevention in their daily work, and care for and use proper safety devices and protective equipment as required by their employment.

4. To become familiar with and observe safe work procedures during the course of their work activities.

5. To promptly report to their immediate supervisor any work related accident, injury or occupational illness, regardless of the degree of severity, prior to the end of the work shift.

6. To cooperate with and assist in investigation of accidents to identify correctable causes and to prevent their recurrence.

7. To promptly report to their immediate supervisor all unsafe actions, practices, or conditions they observe.

8. To keep work areas clean and orderly at all times.

9. To obey safety rules and follow established work procedures.

10. To avoid horseplay and refrain from distracting others.

11. To dress in attire, including any safety gear, suited for the jobs they are expected to perform.

12. To lift and handle materials properly.

3.21.140 Loss Control Considerations for Members of the Board of Directors. Elected officials, like employees, may incur liability for the District and may be held liable for what they both say and do, either individually or collectively. There may be either case law or statutory responsibility for certain behaviors on the part of elected officials. The following is a description of the most common legal areas of concern:

1. There are a number of conflict-of-interest prohibitions outlined in State statutes. Whether legally mandated or not, Directors should not vote on a matter where the Director's financial interest is especially affected.
2. During the pendency of any quasi-judicial proceeding, no member of the Board should engage in ex-parte (outside the hearing) communications with proponents or opponents about a matter in the proceeding.
3. Board members have a legal obligation to become familiar with the Ralph M. Brown Act and to not participate in meetings in violation thereof.
4. There are a number of risk reduction checklists that governing body members should use when considering legislative actions. Legislators, administrators and legal counsel who draft ordinances and other proposed legislative actions should review the proposed ordinance, etc. against the appropriate checklists.

3.21.200 Contract Guidelines: Purpose. The following contract guidelines have been established to insure that the local government's exposures and risks are reasonably treated in all of the government's agreements, contracts, leases, settlements, etc.

3.21.204 Consulting Contracts: Written Contracts. Consultant services should be procured by written contract and accompanying purchase order to track consultant costs. Contracts for services that should be in writing include, but are not limited to, management and planning studies, engineering, legal counsel, labor negotiations, plans examination, employment assessment centers, executive search, etc.

3.21.208 Minor Construction Contracts: Contract Form. Contracts for minor construction projects (e.g. under $25,000) may be procured by written "short form" contract and accompanying purchase order to track project costs. Contracts for services that are to be in writing include, but are not limited to, facility or infrastructure repair or remodeling, etc.

3.21.212 Consulting and Minor Construction Contracts: Risk Minimization. In order to avoid, reduce, or transfer the risk of loss, for contracts for consulting services the following policies are to be applied in a manner consistent with the current recommendations contained in the JPIA publication "Risk Transfer Procedures for ACWA/JPIA Member Districts":

3.21.220 Major Construction Contracts: Written Contract. Contracts for major construction projects (e.g. over $25,000) should be procured by written contract in a manner consistent with state law.

3.21.224 Major Construction Contracts: Risk Minimization. In order to avoid, reduce, or transfer the risk of loss, the following policies in addition to the policies established in Section 3.21.212 hereinabove are to be applied in a manner consistent with the current recommendations contained in the JPIA publication "Risk Transfer Procedures for ACWA/JPIA Member Districts":

3.21.500 Employee Injury and Illness Protection Program: Purpose. The District's employees are its greatest assets. Providing safe and healthful working conditions is essential to protecting those assets, and an important element of an effective risk management and loss control program. Exposures from unsafe working conditions and practices can be avoided, eliminated, or reduced by identifying the exposures and hazards, and treating them through a variety of techniques such as correcting unsafe work practices or using proper equipment.

3.21.504 General Health and Safety Policies. The following general employee health and safety policies are hereby established:

1. The District will provide safe working conditions for its employees. Under no circumstances will the risk of serious injury or death of employees be considered an acceptable risk.
2. The District will give prime consideration to safety in the design of buildings, facilities and the specifications for equipment.
3. Whenever a condition or practice is found to exist which could reasonably be expected to cause injury or property damage, the employee has a right and duty to report it immediately, and the General Manager has the authority and responsibility to take necessary action to correct the condition or practice or, where no funds are available to correct the condition, to recommend to the Board to appropriate such funds.
4. Each employee shall develop and exercise safe work habits in the course of their work to prevent injuries to themselves, their co-workers, and to preserve and protect the District's materials, equipment and facilities.
5. The District shall periodically inspect facilities and equipment to ensure that prescribed safety standards are met.
6. Employees shall be certified in first aid through a course provided by the District during working hours.
7. First Aid kits shall be provided in all District vehicles and at least on every floor of each District facility.
8. Employees shall use and/or wear all personal protective clothing and equipment required by department work rules.

3.21.508 General Health and Safety Employee Requirements. Employees shall conform to the following general requirements shall apply to all employees when in the performance of their work:

1. Promptly report in writing all accidents and injuries, including "close calls", occurring within the course of employment, whether or not the incident directly involved you.
2. Cooperate with and assist in investigation of accidents to identify correctable causes and to prevent their recurrence.
3. Promptly in writing report all unsafe actions, practices, or conditions.
4. Become familiar with and observe approved safe work procedures.
5. Avoid engaging in "horseplay" and refrain from distracting others.
6. Obey safety rules.
7. Wear required protective equipment.
8. Arrive at work suitably attired for the job(s) expected to be performed.
9. Refrain from the use of alcohol or drugs during work hours, not report to work under the influence of any substance that would affect worker safety, and participate in a random drug testing program established by the General Manager.
10. Refrain from smoking on District property, in District vehicles, and while on duty.

11. Refrain from operating, modifying, adjusting or using equipment in an unauthorized manner.
12. Refrain from operating, modifying, adjusting or using equipment unless trained and knowledgeable about the equipment.

Any failure to conform to the above requirements may result in disciplinary action, up to and including discharge.

3.21.512 Personal Protective Safety Equipment. Effective personal protection is essential for any employee who may be exposed to potentially hazardous substances or operations, or who perform jobs which have an inherent injury potential. Employees may be exposed to a wide variety of hazardous circumstances, including:

1. Chemical splashes or contact with toxic materials.
2. Falling objects or flying particles.
3. Fires and electrical hazards.
4. Equipment failures.

It is extremely important that employees be adequately protected in these situations. Some of the types of personal protective safety equipment that may be required and which will be provided by the District include:

1. Hard Hats to protect the head against falling objects, head bumping situations or electrical conductors.
2. Goggles, face shields, or safety glasses to guard against airborne debris, dust, flying particles, chips, chemicals, heat, or injurious rays.
3. Ear plugs or ear muffs to guard against prolonged exposure to cold or noise exceeding sound tolerance levels defined by law.
4. Respirators, gas masks, airline respirators, hose masks, and self-contained breathing apparatus to protect employees against toxic or abnormal atmospheric conditions.
5. Safety Shoes to protect feet against possible mashing from articles that can be dropped, from vehicle wheels, jack hammers, other machines and nail punctures.
6. Life jackets when working in and around water.
7. Reflective Vests or bright articles to increase worker visibility while working in or around traffic lanes, or at night.
8. Protective clothing such as gloves, vests, sleeves, aprons, leggings and full suits to protect against spills, abrasions, bumps, or heat.
9. Safety Catch to be used anytime an employee has to work under or adjacent to the gate of a raised dump truck bed.
10. Safety Harness to be used when an employee works from elevated locations such as tank ladders.

In addition, employees should wear clothing suitable for the job to be performed. Suitable clothing means clothing that will minimize the possibility of damage from moving or handling chemicals, machinery, hot or injurious substances, sunburn, insect bites or harmful agents. Employees working in hazardous areas should not wear tennis shoes, loafers, or sandals, but steel tipped shoes or boots. Employees should not wear high platform sandals or shoes when working if the thickness of the sole and heel is extreme and causes the wearer to walk precariously. Work shoes should be in good condition. Employees with long hair should wear a cap or net while working around machines. Individuals who are required to wear breathing devices should be clean shaven where the mask contacts the face. The personal protective equipment selected should meet applicable standards, such as those of the Mine Safety and Health Administration (MSHA), National Institute for Occupational Safety and Health (NIOSH), American

National Standards Institute (ANSI), or the National Fire Protection Association (NFPA). The choice of equipment is not a simple matter. Health and safety experts should be consulted before purchasing equipment. The purchasing decision and specification development should be coordinated between the General Manager and the Safety Officer.

3.21.516 Employee Safety and Health Training. The District shall conduct periodic training sessions designed to provide employees with training in how to deal with safety and health hazards encountered in the course of work. All new employees and all employees assigned to a new job shall receive appropriate training as part of their orientation. The District will use all practical means to provide its employees with up-to-date safety and health information.

3.21.605 Accident Policy. The primary reason for specifying a precise procedure for handling accidents is to insure that the employee receives all available benefits under the State Workers' Compensation Law and the District is protected from potential liability and property damage losses. Failure to follow the prescribed accident reporting procedures outlined in this section may result in the employee being required to pay medical expenses which otherwise would have been covered by Workers' Compensation insurance.

3.21.610 Employee Injury. When an employee is injured on the job, it shall be primarily his responsibility or, if the employee is disabled by the injury the responsibility of the first employee to become aware of the injury, to seek out adequate medical treatment as follows:

1. injuries of a minor nature requiring first aid only shall be treated by the employee himself or by a fellow employee and reported to the employee's supervisor as soon as possible, but in no case reported to the supervisor later than on the day the accident occurs, and the supervisor shall determine whether the injury is serious enough to require medical attention;
2. any employee involved in an accident resulting in a serious injury shall be referred immediately to the nearest hospital emergency room either by the employee himself, a fellow employee, or the supervisor, and the supervisor shall be immediately notified of the accident and the condition of the injured employee;
3. Employees who develop medical conditions that are believed to be caused by the job shall notify their supervisor immediately after receiving such a diagnosis from their physician. A supervisor shall within 24 hours after notification of any injury or illness referred to hereinabove, shall complete the accident report form required by the District's Workers' Compensation insurer and file it with the Administrative Supervisor who shall mail it directly to the insurance carrier and provide a copy to the General Manager. As soon as possible, the supervisor shall require the employee to complete an accident report form as prescribed by the District.

3.21.615 Accidents Involving District Owned Vehicles. Accidents involving District owned vehicles should be reported to the appropriate police agency immediately regardless of the seriousness of the accident. The employee is to provide driver's license, insurance coverage and vehicle registration information to the owner of any other vehicle involved. The employee should not comment on the accident any further to anyone, though it is expected that the employee will answer questions of police officials. Under no circumstances should the employee state that the accident was his fault. The employee should then report the accident to his supervisor as soon as possible and complete the forms

required. The supervisor should obtain or prepare a written report of the accident within 24 hours and submit it to the General Manager who should then advise the District's insurance agent.

3.21.620 Drug Testing Following an Accident. Any employee driving a vehicle while on duty who becomes involved in an accident submits to a drug test as required by the General Manager. The General Manager may require a drug test of any employee involved in any work related accident resulting in the injury of an employee.

3.21.900 ADMINISTRATIVE DIRECTIVES. The General Manager may promulgate administrative directives to implement the policies establish in this chapter hereinabove. Said directives may be incorporated herein below as additions to this chapter.

Title 4
WATER SYSTEM REGULATIONS
(Adopted by Ordinance No. 1998-01)

Chapters:

4.01 ADMINISTRATIVE PROVISIONS
4.03 DEFINITIONS
4.05 ORGANIZATION AND ENFORCEMENT
4.07 SERVICE
4.09 CROSS-CONNECTION CONTROL
4.11 CONSUMER FACILITIES AND USE OF WATER
4.14 WATER CONSERVATION
4.15 WATER SHORTAGE EMERGENCY REGULATIONS
4.17 WATER SYSTEM EXTENSION & CONSTRUCTION
4.21 FIRE PROTECTION FACILITIES
4.23 ABATEMENT
4.31 FEES, CHARGES, AND BILLING

Chapter 4.01
ADMINISTRATIVE PROVISIONS

Sections:

4.01.010 Purpose
4.01.100 Title, Citation and Reference
4.01.200 Scope
4.01.300 Compliance with Regulations
4.01.910 Violation of Regulations Prohibited
4.01.920 Prosecution; Abatement
4.01.930 Damage to District Facilities
4.01.980 Amendment
4.01.990 Severability

4.01.010 Purpose. The purpose of this Title is to implement the provisions of Article 2, Chapter 1, Part 5, Division 12 of the Water Code of the State of California (Sections 31020 et seq.) governing the conduct of the water enterprise and more specifically to obtain, divert, conserve, treat, and supply water (including flood and storm water) for domestic use, irrigation, sanitation, industrial use, fire protection, recreation, or any other public or private use. The Rio Linda/Elverta Community Water District intends to operate, improve and maintain its water enterprise pursuant to all applicable laws in a manner consistent to assure its rights under Section 54300 et seq. of the Government Code for financing of future improvements and to protect the public health and safety.

4.01.100 Title Citation and Reference. This Title shall be known as the "Water System Regulations of the Rio Linda/Elverta Community Water District," may be cited as "Water Regulations", and will be referred to herein as "these regulations."

4.01.200 Scope. These regulations establish the terms and conditions under which facilities will be installed and water will be supplied to consumers.

4.01.300 Compliance with Regulations. By applying for or receiving water service from the District, each consumer covenants and agrees to be bound by and to comply with all regulations of the District from time-to-time in effect.

4.01.910 Violation of Regulations Prohibited. No person shall violate these regulations with the intent (a) to cause damage or harm to the physical facilities of the water enterprise system, or (b) to obtain water without making payment therefore, or (c) to befoul the water, groundwater or watershed of the District.

4.01.920 Prosecution; Abatement.

1. The District will prosecute violations of Sections 498, 624 & 625 of the Penal Code of California which make it a misdemeanor to tamper with or bypass water meters, to take water without payment, or to otherwise damage or obstruct the District's facilities.

2. In addition to the penalties hereinabove provided, any condition caused or permitted to exist in violation of the regulations of the District shall be deemed to be a public nuisance and may be abated as such.

4.01.930 Damage to District's Facilities. The consumer, by applying for water service from the District, covenants and agrees that, in addition to any right or remedy available to the District by law, the consumer will pay to the District its costs for repairing or replacing any of its facilities damaged by the consumer, his agents, or tenants, or as a result of construction or other work done on the consumer's property, including, without limitation, the sidewalks, driveways, curbs and gutters adjacent thereto, or as a result of installation of utility services to the consumer's property.

4.01.980 Amendment. These Regulations may be added to or amended by adoption of a resolution by the Board following a public hearing advertised pursuant to the rules of the Board.

4.01.990 Severability. If any section or portion thereof, of this Title is found by a court of competent jurisdiction to be invalid or unconstitutional, the remainder of this Title shall remain in full force and effect.

Chapter 4.03
DEFINITIONS

Sections:

4.03.010 GENERAL
4.03.030 Terms Defined by State Agencies
4.03.050 Other Sources of Definitions
4.03.090 Common Definition
4.03.200 DEFINITIONS
4.03.210 Consumer
4.03.270 Standards, District Standards, Standards and Specifications
4.03.290 Unimproved Land

4.03.010 GENERAL. For the purpose of this chapter, certain terms, phrases, words and their derivatives shall be construed as specified in this chapter. Words used in the singular include the plural and the plural the singular. Words used in the masculine gender include the feminine and the feminine the masculine.

4.03.030 Terms Defined by State Agencies. Terms which are not specifically defined in this Policy Manual shall be construed as defined in Titles 17 and 22 of the California Code of Regulations.

4.03.050 Other Sources of Definitions. Terms which are not defined in this Policy Manual or the sources listed in 4.03.030 above, but which are defined in the most recently published version of the *Uniform Plumbing Code* as published by the International Association of Plumbing and Mechanical Officials, hereinafter referred to as "*Uniform Plumbing Code*," shall be construed as specified in that code.

4.03.090 Common Definition. Terms herein for which a definition is not otherwise prescribed either in this Policy Manual or in other sources referred to herein shall have their ordinarily accepted meaning within the context in which they are used. *Webster's Third New International Dictionary of the English Language, Unabridged*, copyright 1986 or a successive publication thereto, shall be considered as providing ordinarily accepted meanings.

4.03.200 DEFINITIONS. For the purposes of this Title, the following terms shall have the meaning prescribed therein:

4.03.210 Consumer. The owner of record of a parcel who obtains water service from the District or the authorized agent of the owner.

4.03.270 Standards, District Standards, Standards and Specifications. Plans and specifications for routine construction associated with the water system of the District as approved by the General Manager.

4.03.290 Unimproved Land. Land on which no improvements exist or land which although improved to a degree is being further improved and said further improvement is the cause for augmented water service and requires one or more land use approvals.

Chapter 4.05
ORGANIZATION AND ENFORCEMENT

Sections:

4.05.010 Enforcement and Interpretation by General Manager
4.05.020 Appointment of Engineers, Inspectors, and Other Employees
4.05.025 Public Officers.
4.05.030 Right of Entry
4.05.040 Stop Orders
4.05.060 Appeal of Determination or Order of General Manager
4.05.065 Limitation of Authority of the Board
4.05.070 Effect of Failure to Appeal
4.05.080 Scope of Hearing on Appeal
4.05.090 Staying of Orders
4.05.100 Decision of Board Final
4.05.110 Means of Enforcement

4.05.010 Enforcement and Interpretation by General Manager. The General Manager is hereby authorized and directed to enforce all the provisions of these regulations. The General Manager shall have the power to render interpretations of these regulations and establish rules and supplemental regulations in order to clarify the application of its provisions. Other officers of the District shall assist and cooperate with the General Manager in order to implement these regulations.

4.05.020 Appointment of Engineers, Inspectors, and Other Employees. For purposes of implementation of these regulations and in accordance with prescribed procedures, the General Manager may appoint such numbers of engineers, inspectors, and other employees as shall be authorized by the Board of Directors from time-to-time. The General Manager may deputize such appointees to act on his behalf to implement these regulations. Such appointees hereinafter shall be referred to as "deputy."

4.05.025 Public Officers. For purposes of enforcement of these regulations, the General Manager and appointees deputized pursuant to Section 4.05.020 hereinabove shall be public officers as provided in §836.5 of the Penal Code of the State of California.

4.05.030 Right of Entry. When it is necessary to make an inspection to enforce the provisions of these regulations, or when the General Manager or deputy has reasonable cause to believe that there exists upon a parcel a condition which is contrary to or in violation of these regulations, the General Manager or deputy may enter upon the parcel and/or buildings thereon to perform the duties imposed by these regulations; provided, however, that if such parcel or building is occupied that credentials be presented to the occupant and entry requested. If such parcel or building is unoccupied, a reasonable effort shall be made to locate the consumer or other person having charge or control of the parcel or building in order to request entry. If entry is denied, an inspection warrant may be obtained as provided by law.

4.05.040 Stop Orders. Whenever any maintenance, repair, replacement, or new construction work is being done contrary to the provisions of these regulations or other pertinent laws or ordinances implemented through the enforcement of these regulations, the General Manager may order the work stopped by notice in writing served on the property owner or any such person engaged in doing or causing such work to be done. Such notice shall be served either personally of by regular mail. Service by mail shall be effective on the date of mailing. Any such persons causing or allowing violations of the District's policies shall forthwith stop such work until authorized by the General Manager to proceed with the work.

4.05.060 Appeal of Determination or Order of General Manager. Orders, decisions or determinations made by the General Manager relative to the application and interpretation of these regulations may be appealed within fifteen (15) calendar days from the date of service or notification of said order, decision or determination. Said appeal may be filed in writing with the District essentially in the following form:

1. A heading in the words: "Before the Board of Directors of the Rio Linda/Elverta Community Water District";
2. A caption reading: "Appeals of [give the names of all appellants participating in the appeal]";
3. A brief statement setting forth the legal interest of each of the appellants in the parcel(s) or building(s) involved;
4. A brief description of the specific order, decision or determination appealed;
5. A brief statement in ordinary and concise language of the relief sought and the reasons why it is claimed that the order, decision or determination should be reversed, modified, or otherwise set aside;
6. A brief statement in ordinary and concise language of any material facts claimed to support the contentions of the appellant;
7. The signatures of all parties named as appellants and their official mailing addresses;
8. The verification (by declaration under penalty of perjury) of at least one appellant as to the truth of the matters stated in the appeal.

The appeal shall be placed as a public hearing on the agenda of the next regular meeting of the Board of Directors which occurs fifteen (15) calendar days or later following the date of receipt of the appeal.

Written notice of the time and place of the hearing shall be mailed to each appellant certified mail postage prepaid at least seven (7) calendar days prior to the date of the hearing.

4.05.065 Limitation of Authority of the Board. The Board when ruling on an appeal may not set aside or modify the application of engineering design standards or District standards and specifications as provided in these regulations.

4.05.070 Effect of Failure to Appeal. Failure of any person to file an appeal in accordance with the provisions of Section 4.05.060 shall constitute a waiver of the right to an administrative hearing and adjudication of the order, decision or determination of the General Manager provided that said order, decision or determination has been rendered in writing and said writing is accompanied by a copy of Section 4.05.060.

4.05.080 Scope of Hearing on Appeal. Only those matters or issues specifically raised by the appellant shall be considered in the hearing of the appeal.

4.05.090 Staying of Orders. Except for orders issued pursuant to Section 4.05.040, any order, decision or determination of the General Manager shall be stayed during the pendency of a timely and properly filed appeal until a final decision has been reached by the Board.

4.05.100 Decision of Board Final. A decision of the Board of Directors regarding an appeal shall be final.

4.05.110 Means of Enforcement. The following shall constitute means of enforcement of orders issued pursuant to Section 4.05.040 and are not penalties for violation of these regulations:

1. Injunctive relief may be sought in a court of proper jurisdiction;
2. Nuisance abatement proceedings may be initiated pursuant to Chapter 4.23 herein below;
3. As a means of abatement, District water service may be terminated immediately in order to prevent an immediate threat to the health and safety of the public or may cause irreparable harm to the riparian environment.

Chapter 4.07
SERVICE

Sections:

4.07.010 NEW SERVICE
4.07.011 Application for Service & Processing
4.07.012 Conditions Precedent to Service
4.07.013 Service Connection
4.07.014 Control Valve
4.07.015 Location of Service Connection
4.07.016 Land Use Approval Established
4.07.030 Plan Check and Inspection Fees and Charges
4.07.100 CHANGE OF SERVICE
4.07.110 Relocation
4.07.120 Enlargement
4.07.200 MULTIPLE SERVICE
4.07.210 General
4.07.220 Exception
4.07.230 Subdivision of Ownership
4.07.240 Connection Prior to January 1, 1998
4.07.250 Charges for Multiple Services
4.07.300 TEMPORARY SERVICE
4.07.310 Installation and Payment
4.97.320 Service through Fire Hydrants
4.07.400 SERVICE INTERRUPTION
4.07.410 Water Shut-off
4.07.420 Non-liability of District
4.07.500 DISTRICT ACCESS TO FACILITIES
4.07.700 INITIATION OF WATER SERVICE: GENERALLY
4.07.710 Application
4.07.720 Failure to Apply
4.07.725 Payment of Outstanding Water Service Charges upon Property Transfer
4.07.800 TERMINATION OF WATER SERVICE
4.07.810 Termination by the District
4.07.820 Termination by the Consumer
4.07.830 Reinitiation of Service Prohibited
4.07.840 Temporary Shut-Off

4.07.010 NEW SERVICE

4.07.011 Application for Service and Processing.

1. Application for Service must be made to the District in writing on the District's form by the consumer or his authorized agent. Applications must be supported by data as required by the District, such as a map and/or legal description of the property to be served, a description or plan showing intended water fixtures, a plan showing yard, lawn and garden areas and an estimate of amount to be used. The size of the meter and service connection will be determined by the District.

2. Applications requiring only fire service or requiring a service having a meter size equal to or less than one inch, which services can be connected to existing mains, will be processed in the order of the date the application is received, provided all requirements of the District are met. All other applications will be processed in the order of the date the application is received, provided the applicant meets all District requirements within 30 days of said date. If District requirements are not met within said thirty (30) days, the application shall be null and void.

3. Receiving an application shall in no way represent a commitment or agreement by the District to serve water. Said commitment will be made only at the time service actually commences or when the District executes a service Extension Agreement whichever shall first occur. In the case of a service

extension agreement, the commitment of the District to supply water shall be limited to the number of connections to be installed pursuant thereto and in accordance with the terms thereof.

4.07.012 Conditions Precedent service. Metered water service will be provided subject to:

1. The existence of a water main of adequate capacity and pressure abutting the property to be served, or the construction of adequate mains, pumps and storage facilities under the provisions of these regulations.
2. Advance payment of the District's connection charge for service as provided in these regulations or as subsequently amended or adopted by the Board.
3. Approval by the County of Sacramento of a wastewater disposal system for the property to be serviced.

4.07.013 Service Connection. A service connection is hereby defined as a pipe line from the water main to the property side of the curb line, including a meter box and other necessary fittings for the installation of the meter. All service connections and meters shall be and remains the property of the District, and shall not be molested by anyone other than an authorized employee of the District. Said meters and service connections shall be maintained, repaired and renewed by the District when rendered unserviceable through fair wear and tear, but that in the event that any replacement, repair or adjustment of any water service or meter shall be made necessary by the act or negligence of the consumer, his/her family or employee, any expense connected with said adjustment, renewal or repair shall be charged and collected from the consumer. The District shall not be responsible for open or faulty fixtures or for broken or damaged pipes beyond the District meter.

4.07.014 Control Valve. The consumer to be served shall install a control valve on the pipe immediately following the connection point to the District meter. When old premises to which a service pipe has previously been connected are being altered, such control valve shall be installed by the consumer if such is not already provided. Where any consumer to be served or being served has also a separate and different water supply connected with pipes served by those of the District, he/she must make suitable provision pursuant to these regulations whereby water from such separate and different supply may not enter the mains of the District.

4.07.015 Location of Service Connection. Water service will be provided at a meter abutting a major frontage of the property to be served at a point determined by the District. The consumer may indicate the point on his property where he desires service, but the final location shall be determined by the District.

4.07.016 Land Use Approval Established. An application for service to unimproved land shall not be processed to completion by the District unless the applicant presents to the District a document from the County of Sacramento verifying that a: (a) valid Building Permit has been issued; or (b) Preliminary Division of Land has been approved; or (c) Tentative Subdivision Map has been approved; or (d) Planned Unit Development Precise Development Plan has been approved.

4.07.030 Plan Check and Inspection Fees and Charges. (*amended with Resolution 2011-03*) Installation of a new service and continuation of service shall be conditioned upon payment of fees and charges as provided by Board resolution and as may be amended from time to time. The Board is authorized, upon request by an applicant for a new fire protection service installation/connection, and after a public hearing, to permit new installation/connection prior to the payment of the District's established fees. Any authorization shall be conditioned on the applicant for new fire protection service installation/connection entering into a written agreement with the District to pay all fees due no later than six months from the date fees are originally due.

4.07.100 CHANGE OF SERVICE

4.07.110 Relocation. The District will relocate its facilities when requested to do so by the consumer provided such relocation is acceptable to the District and upon advance payment of the District's estimate of the cost thereof. If the actual cost of relocation exceeds the amount prepaid such excess will be paid on completion of the work.

4.07.120 Enlargement. Enlargement of meter and service connection will be made by the District on the following conditions:

(1) The consumer or his authorized agent files an application therefore in accordance with Regulation 4.07.011; and

(2) The consumer pays the charge for service applicable to such enlarged meter and service connection as provided by District rates, from which shall be deducted the current charges applicable to the meter and service line replaced, only if these charges have been previously paid.

4.07.200 MULTIPLE SERVICE

4.07.210 General. Except as otherwise expressly authorized by this regulation, a single service connection shall serve no more than one dwelling unit or one commercial, agricultural or industrial enterprise on a single parcel or lot.

4.07.220 Exception. If separate service connections present substantial mechanical problems as conclusively determined by the District, service through a single connection will be furnished on the request of a consumer to any of the following:

(1) a duplex, apartment building or other multiple unit residential structure in undivided ownership;

(2) a commercial or industrial building in undivided ownership;

(3) a building or group of buildings owned or exclusively occupied by a public entity or entities; and

(4) a condominium served under a contract between the District and a responsible owners' association as defined in Section 11003.1 of the Business and Professions Code

4.07.230 Subdivision of Ownership. If the ownership of a structure receiving service through a single service connection is subdivided, new service connections shall be installed, and the fees and charges therefore shall be paid, to the extent necessary to provide a separate service connection to each separately owned unit or parcel.

4.07.240 Connection Prior to January 1, 1998. The preceding sections of this regulation shall not apply to dwellings which have been continuously served through a single service connection installed prior to January 1, 1998. The minimum and quantity rates for each dwelling unit so served shall be computed as though each unit were served with a meter of the size installed on the single service connection and as though the quantity delivered to each unit were the quantity of the water measured by the installed meter divided by the number of dwelling units connected thereto.

4.07.250 Charges for Multiple Service. The District will not render separate statements to each dwelling unit or enterprise served by a single meter. The consumer, irrespective, in whose name the service is registered, will be responsible for all charges for all services through the meter. Unit charges will be established for multiple units served through a single meter.

4.07.300 TEMPORARY SERVICE

4.07.310 Installation and Payment. Service which the District determines will be for less than one year and will not require installation of a permanent connection shall be provided upon payment of the total estimated cost of installing the connection and such reasonable deposit for service as may be required by the District.

4.07.320 Service through Fire Hydrants. Temporary service for construction or other approved purposes may be provided through hydrant meters upon written application to the District and the payment of a refundable damage or loss deposit of $600.00, a permit charge of $40.00, and water use fees as provided by District rate schedules.

4.07.400 SERVICE INTERRUPTION

4.07.410 Water Shut Off. District reserves the right to shut off water at any and all times for the purpose of making repairs, extensions or alterations of its water system. Whenever possible, advance notice of interruption of service will be given to all consumers affected. Consumers depending upon a continuous supply of water should provide themselves with emergency storage.

4.07.420 Non-liability of District. The District will exercise reasonable care and diligence to deliver to its consumers a continuous and sufficient supply of water under proper pressure and of good quality at the service connection to the consumer's premises. However, the District is not, and will not be, liable for any loss, damage, or inconvenience to any person by reason of shortage, insufficiency, suspension, discontinuance, shut off, increase or decrease of water pressure, or by a water quality problem.

4.07.500 DISTRICT ACCESS TO FACILITIES. By applying for or receiving water service from the District each consumer irrevocably licenses the District and its authorized employees and agents to enter upon the consumer's property at reasonable times for the purpose of reading, inspecting, testing, checking, repairing or replacing the District's meters and other facilities.

4.07.700 INITIATION OF WATER SERVICE: GENERALLY

4.07.710 Application. An application for the initiation or reinitiation of water service shall be filed with the District by the consumer or his agent prior to the use of water. Each applicant for service shall advise the District of the date service is to begin, the post office address to which the water bill shall be mailed, the exact location of the property to be served and provide such credit information and deposit as the District may require. An applicant shall be required to make written application for service on a form provided by the District. Where the application is made by an agent of the consumer, a form signed by the consumer authorizing the agent to make said application shall be submitted directly by the consumer.

4.07.720 Failure to Apply. Anyone using water without having made application to the District for initiation or reinitiation of water service shall be held liable for the service from the date of any previous meter reading that most nearly coincides with the actual date the service was first used by such consumer. Such use of water may be subject to the misdemeanor prosecution provisions of Section 4.01.920 hereinabove.

4.07.725 Payment of Outstanding Water Service Charges Upon Property Transfer *(approved at the September 15, 2014 meeting of the Board)*

Consistent with the legal principles set forth in the preface of this section, a Landowner who acquires real property in the District is responsible for paying any outstanding District fees and charges owing on the acquired Parcel regardless of the time or manner in which those charges were incurred. The District reserves the right to refuse to open an account and to provide water service to a Parcel until the acquiring

Landowner pays all outstanding fees and charges. It will be the acquiring Landowner's sole responsibility to pursue any legal remedies it may have to seek reimbursement of such outstanding fees and charges from any former Landowner or occupant of the acquired Parcel.

4.07.800 TERMINATION OF WATER SERVICE

4.07.810 Termination by the District. The District may refuse to furnish water and/or discontinue service to any premise where:

a. The consumer fails to comply with any of the District's regulations.

b. The consumer fails, after notice from the District, to remove an obstruction that prevents reading of the meter.

c. Equipment using water is found to be dangerous or unsafe.

d. The use of water is found to be detrimental or injurious to the water service furnished to other consumers.

e. Negligent or wasteful use of water exists which affects the District's water service.

f. It is necessary to protect itself against fraud or abuse.

4.07.820 Termination by the Consumer. Water service will be terminated on any business day (not a Saturday, Sunday, or holiday) requested by the consumer, provided that the request is received by the District not later than two business days prior to the date of termination. The consumer shall be responsible for all service furnished by the District prior to the termination of service.

4.07.830 Reinitiation of Service Prohibited. It shall be unlawful for any person to turn on water after the same shall have been turned off as provided in these regulations, without the written consent of the District. Unauthorized resumption of service shall be deemed as tampering with District property and the consumer shall be responsible for all charges incurred for actions taken by the District to discontinue service until the bill is paid in full (including charges for any repairs for parts and labor, for discontinuation and restoration of service, and for a tampering charge per the District's current fee Ordinance).

4.07.840 Temporary Shut-Off. When the consumer requests in writing temporary discontinuation of service (120 days or less) a charge per the District's current fee Ordinance will be assessed to the account. An additional charge per the District's current fee Ordinance will be made for every after-hours service call made to the property. If an emergency situation exists, the General Manager may waive the requirement that the request be in writing. The charge for turning off and on the service may be waived on a one time basis by the General Manager if the consumer at the time of emergency discontinuation will provide and install a control valve on the consumer side of and adjacent to the District meter.

Chapter 4.09
CROSS-CONNECTION CONTROL
(Amended August 15, 2005)
Resolution 2005-11

Sections:

4.09.010 AUTHORITY, PURPOSE & DEFINITIONS
4.09.020 INCORPORATION OF COUNTY OF SACRAMENTO REGULATIONS
4.09.030 INCORPORATION OF CALIFORNIA TITLE 17 REGULATIONS
4.09.100 BACKFLOW PREVENTION POLICY
4.09.110 Private Sources That Require Backflow Prevention Devices
4.09.120 Systems Carrying Hazardous Substances
4.09.130 Sewage Lift, Pump or Ejector Stations
4.09.200 BACKFLOW PREVENTION DEVICES
4.09.210 Installation
4.09.220 Existing Service Connections without Backflow Prevention Devices; Upgrading of Existing Devices
4.09.230 Operation, Testing, and Maintenance
4.09.300 COMPLIANCE WITH REGULATIONS
4.09.310 Access for Inspection
4.09.320 Noncompliance
4.09.330 Liability
4.09.340 Additional Penalties

4.09.010 AUTHORITY, PURPOSE AND DEFINITIONS

1. The Rio Linda/Elverta Community Water District, hereinafter referred to as "District", operates a public water supply under permit issued by the State of California Department of Health Services. In order to comply with the terms of the permit and all State regulations intended to protect the public water supply from contamination or excessive loss of supply, suitable cross-connection prevention devices must be installed at the expense of the consumer. This Chapter supplements and does not supersede local plumbing regulations, codes or ordinances, or State regulations relating to water supply or plumbing regulations. Installation and continuous maintenance of a cross-connection prevention device, where required by District, shall be a condition of water service, including the continuation of existing water service.
2. Title 17, §7583-7605 of the California Code of Regulations, hereinafter referred to as "Title 17", provides rules and regulations governing cross-connections. §7584 of Title 17 states in part that "The water suppliers shall protect the public water supply system from contamination by implementation of a cross-connection control program. The District is a water supplier within the meaning of Title 17.
3. In order to provide for an orderly and adequate means of protecting the District's water system from potential cross-connections, the requirements hereinafter set forth are reasonable and necessary for the protection of the District's water supply and distribution system and the public health and welfare. New water service connections shall be installed and existing water service connections shall be modified to conform to these regulations and requirements as hereinafter set forth.
4. Those definitions contained in Title 17 §7583 and Chapter 6.30 of the Sacramento County Code shall be used for purposes of determining and interpreting the meaning of certain words in this Chapter 4.09. In the event of a conflict between these two sources, Title 17 shall prevail.

4.09.020 INCORPORATION OF COUNTY OF SACRAMENTO REGULATIONS. The regulations of the Sacramento County Code Chapter 6.30, inclusive, hereinafter referred to as *"Protection of Drinking*

Water", is hereby adopted, incorporated by reference herein and made a part hereto, insofar as the same are applicable to the protection of the District's water supply and distribution system.

4.09.030 INCORPORATION OF CALIFORNIA TITLE 17 REGULATIONS. The regulation of the California Department of Health, Title 17 California Administrative Code, § 7583-7605, inclusive, are hereby adopted, incorporated by reference herein and made a part hereto, insofar as the same are applicable to the protection of the District's water supply and distribution system.

4.09.100 BACKFLOW PREVENTION POLICY

4.09.110 Private Sources of Supply That Require Backflow Prevention Devices. The public water supply system must at all times be isolated from private sources that have the potential for cross-connection or the potential for contamination. Abandonment of the private source of supply or other potential cross-connection condition pursuant to an approved well abandonment permit, building permit or other appropriate permit issued by the County of Sacramento shall be allowed at the sole discretion of the District in lieu of installation of a backflow prevention device in accordance with these regulations. A cross-connection or backflow prevention device shall be required at the service connection on the customer side of the water meter if any of the following conditions exist:

1. An auxiliary water supply is on the parcel or serving the parcel receiving water from the District's water system;
2. The facility handles any substance under pressure in such a fashion as to permit the substance to possibly enter into the District water system, including water originating from the District water system;
3. The facility or parcel has more than one service connection;
4. The facility has or has the potential for a cross-connection that could result in the pollution or contamination of the District's water system;
5. The structure or structures are used for commercial, industrial or institutional purposes, or has multiple use capabilities;
6. The parcel or facility is used for a business purpose determined by the District to have the potential for a cross-connection that may result in the pollution or contamination of the District's water system;
7. The structure has a fire sprinkler system or the parcel has a dedicated irrigation system and/or private fire hydrant;
8. The parcel or facility as determined by the Board of Directors has the potential for cross-connection.

4.09.120 Systems Carrying Hazardous Substances. The public water supply system shall be separated by an air gap system from sewage treatment plant systems, chemical plant systems, or other systems carrying hazardous substances which may jeopardize the safety of the drinking water supply or at any private or public premise on which any material dangerous to health or any toxic substance in toxic concentration is or may be handled under pressure. The air gap shall be located as close as practicable to the service cock, and all piping between the service cock and receiving tank shall be exposed. All portions of the air gap system, including piping shall be accessible for inspection at any reasonable hour.

4.09.130 Sewage Lift, Pump or Ejector Stations. At the service connection to any sewage pumping station, the public water supply shall be protected by a properly installed air gap separation system satisfactory to District, the plans for which must be approved in writing by the District's Manager prior to installation. For a single hose bib water service to the vicinity of a sewage lift station, the District may accept as satisfactory back-flow protection the installation of a double check valve assembly located as close as practicable to the service connection.

The service hose bib and connecting riser must be located at the discharge end of the double check valve assembly. The system, including all piping, shall be completely exposed.

4.09.200 BACKFLOW PREVENTION DEVICES

4.09.210 Installation. All backflow prevention devices will be designed and installed as specified by the Rio Linda/Elverta Community Water District. Such backflow prevention device shall be capable of assuring equivalent protection as provided for in the State of California Regulations Relating to Cross-connections (Title 17, Chapter V, Sections 7583-7605, inclusive), as may be amended from time to time. At the time and application for a new water service is made in accordance with these regulations, the General Manager will review said application to determine, in accordance with applicable regulations, the need for a backflow prevention device on the consumer's service. If a backflow device is required, it shall be the consumer's responsibility, and expense, to provide for the installation and continued maintenance of the device in accordance with District standards and at a location approved by the District, by one of the following methods:

1. INSTALLATION BY DISTRICT - A backflow prevention device may be installed by the District at the sole discretion of the District, and thereby at the consumer's expense. The consumer shall deposit, in advance, the District's estimated cost of the device and installation. The final billing to the consumer shall be the total cost of the work.

2. INSTALLATION BY CONSUMER - A backflow prevention device may be purchased and installed through arrangements made by the consumer; conditionally, the type and manufacturer of the device shall be specified by the District. Installation is subject to inspection and acceptance by the District prior to providing water service to the parcel.

3. FREEZE PROTECTION - It is the responsibility of the property owner to install freeze protection. If the backflow prevention assembly cannot be inspected due to the presence of freeze protection material, the freeze protection may be removed. The District shall not be responsible for reinstallation of the freeze protection.

   The relief port at the bottom of a reduced pressure backflow assembly must not be covered over by freeze protection. All test ports must be easily accessible along with the serial number and model number. Freeze protection shall be maintained in a neat, aesthetically pleasing condition. Torn or dislodged freeze protection may be removed by the District.

4.09.220 Existing Service Connections without Backflow Prevention Devices; Upgrading of Existing Devices.

1. The District will inspect the premises of existing service connections, and in compliance of the regulations shall determine if the premise(s) require a backflow prevention device. A list of property owners will be established that may require backflow prevention devices. Such list shall be prioritized by the potential for cross-connection with those with the highest potential listed first. If it is determined that a backflow prevention device is required, the installation of a backflow prevention device shall be a condition of continued water service. Abatement of the potential cross-connection shall be accomplished in compliance with the regulations contained in this Chapter 4.09. If a consumer fails to provide for the installation of the backflow prevention device within a reasonable time limit set forth in a written notification from the District, the District shall suspend water service to the property being served. Alternatively, at the District's option, and upon

notification of the consumer, the District may install the backflow prevention device and charge the consumer the entire cost of the device and its installation.

2. An existing backflow prevention device which fails to meet District standards and specifications shall be upgraded at the consumer's expense following the procedures contained in this Chapter 4.09. Upgrading may include complete replacement of the backflow prevention device, installation of additional devices, or abatement of on-site cross-connection hazards.

4.09.230 Operation, Testing, and Maintenance. Backflow prevention devices shall be owned, operated, and maintained by the consumer pursuant to the annual maintenance program prescribed by the District. District personnel or District approved contractors shall inspect and test the backflow prevention devices upon installation and annually thereafter. Charges for inspection and testing shall be set by the District from time to time based on the size and type of device. The consumer may be furnished with test results upon written request. A backflow prevention device that fails its annual test shall be repaired or replaced and retested at the owner's expense.

4.09.300 COMPLIANCE WITH REGULATIONS

4.09.310 Access for Inspection. Rio Linda/Elverta Community Water District personnel and representatives of any governmental health agency shall have the right of ingress to and egress from the consumer's premises at all reasonable hours for the purpose of investigating compliance with this Chapter.

4.09.320 Noncompliance. If a consumer fails to comply with this Chapter, the District shall have the right to discontinue water service and, if it deems necessary, physically disconnect the consumer's piping from the District's distribution system. Conditions or water uses that create a basis for water termination include, but are not limited to the following items:

1. Refusal to install a required approved backflow assembly.
2. Refusal to allow access onto premise for inspection purposes.
3. Refusal to allow testing of an approved backflow assembly
4. Refusal to repair or replace a faulty backflow assembly
5. Removing or bypassing of a required approved backflow preventer.
6. Direct or indirect connection between the District's water system and a sewer line.
7. Unprotected direct or indirect connection with the District's water system and a system or equipment containing contaminants.
8. Unprotected direct or indirect connection with the District's water system which presents an immediate health hazard.

4.09.330 Liability. The District shall not be liable for any injury to persons or damage to property which may result directly or indirectly from the installation or testing of any device to protect the District's public water supply from contamination.

4.09.340 Additional Penalties. In addition to the remedies otherwise granted the District by law, any water user who willfully fails to install a backflow prevention device as required by these regulations, or who willfully bypasses or alters such a device may be subject to prosecution and, upon conviction thereof, shall be punishable by a fine not to exceed five hundred dollars ($500.00) or by imprisonment in the County jail for a period not to exceed six (6) months or by both fine and imprisonment. Each day of the violation is a separate offense pursuant to California Health & Safety Code Section 116820. These penalties are in addition to any other rights or remedies that the District may have at law or in equity.

Chapter 4.11
CONSUMER FACILITIES AND USE OF WATER

Sections:

4.11.010 GENERAL
4.11.100 PRIVATELY OWNED FACILITIES
4.11.110 Installation and Maintenance
4.11.120 Connection to Meters
4.11.130 Pressure Devices
4.11.140 Ground Wire Attachments Liability
4.11.150 District's Non-Responsibility
4.11.200 USE OF WATER
4.11.210 Responsibility of Control
4.11.220 Place of Use
4.11.230 Resale of Water Prohibited
4.11.240 Change of Use

4.11.010 GENERAL. It is the policy of the District that all District responsibility for water and facilities for the transmission thereof to the consumer's property ends at the outlet side of the water meter. It is the responsibility of the consumer to protect, maintain and operate all facilities and appliances beyond that point.

4.11.100 PRIVATELY OWNED FACILITIES

4.11.110 Installation and Maintenance. The consumer shall, at his risk, furnish, install, maintain, repair and retain ownership and control over the pipes and water receiving equipment leading from the outlet of the District' s water meter, provided, however that if the consumer's pipes or equipment causes damage, nuisance or inconvenience to the District or its other consumers, the District shall have the right to compel the consumer or user of such pipes or equipment to adjust, repair or replace the same or to discontinue use of water from the District

4.11.120 Connection to Meter. The consumer shall be responsible for connecting his pipeline to the District's meter end. However, except for private fire protection services, the District at its discretion may make the necessary connection if the consumer's pipeline is placed before the meter is installed.

4.11.130 Pressure Devices. Where it is desired to reduce or increase the pressure under which water is supplied by the District, the consumer shall be responsible for installing and maintaining the necessary regulators, pumps, or relief valves in such cases, the equipment shall be installed on the consumer's side of the meter and at his own risk and expense. Pressure reducers shall be required where the water pressure exceeds 90 psi (pounds per square inch) at the meter.

4.11.140 Ground Wire Attachments Liability. The District is not responsible for providing an electrical ground through water service equipment. Consumers shall not attach any ground wiring to plumbing which is or may be connected to District service equipment. The District may hold the consumer liable for any injury to its personnel resulting from a ground wire attachment.

4.11.150 District's Non-responsibility. The District shall not be responsible for any loss or damage caused the negligent or wrongful act or omission of a consumer or any of his tenants, agents, employees, contractors, licensees, or permittees in installing, maintaining, using, operating or interfering with any

water receiving equipment. The District shall not be responsible for damage caused by faucets, valves, and other equipment which may be open at any time that water is turned on at the meter.

4.11.200 USE OF WATER

4.11.210 Responsibility of Control. Title to water furnished by the District, the risk of loss thereof and full responsibility for the carriage, handling, storage, disposal and use thereof shall pass from the District to the consumer at the outlet of the District's meters.

4.11.220 Place of Use. The consumer shall not use, or permit the use of any water furnished him by the District on any premises other than those specified in his application for service.

4.11.230 Resale of Water Prohibited. No water received from the District may be resold or delivered to others without the specific approval and authorization of the District

4.11.240 Change of Use. No substantial change in the character of water use through an existing connection shall be made except by the filing and processing of a new service application. The District shall determine what constitutes a substantial change in the character of water use which shall include, but is not limited to, change from single-family dwelling service to multiple dwelling service or from residential use to commercial or industrial use.

Chapter 4.14
WATER CONSERVATION

Sections:

4.14.010 Purpose
4.14.100 Scope
4.14.200 Requirements

4.14.010 Purpose. Water is a limited natural resource. It must be used efficiently and economically to meet the health and safety needs of the community. This regulation incorporates water conservation as an integral part of the District's total water management program.

4.14.200 Requirements. The District's rules and regulations related to conservation of water are set forth in its Water Shortage Ordinance (Ordinance No. 2008-01) and its' Water Master Plan, as they may be amended from time to time.

Chapter 4.17
WATER SYSTEM EXTENSIONS AND RELOCATIONS

Sections:

4.17.010 EXTENSIONS
4.17.020 To Serve New Consumers Without Direct Access
4.17.030 Interconnection Between Mains
4.17.040 Size and Design
4.17.050 Preliminary Engineering and Planning
4.17.060 Cost of Preliminary Engineering and Planning
4.17.070 Estimate is Not a Commitment to Serve Water
4.17.100 PAYMENT
4.17.110 By Extendor
4.17.120 By District
4.17.200 EXTENSION AGREEMENTS
4.17.210 General
4.17.220 Small Extensions
4.17.230 Land Easements and Rights of Way

4.17.240 Reimbursement Agreement
4.17.300 EXTENSION CONSTRUCTION
4.17.310 Construction by Extendor
4.17.320 Conditions of Construction by Extendor
4.17.330 Construction by District
4.17.340 Construction Costs
4.17.400 RELOCATION
4.17.410 To Accommodate Streets and Highways
4.17.420 Improvements Under Assessment Proceedings
4.17.430 Required by Public Drainage Works
4.17.440 Required by Underground/Overhead Utilities

4.17.010 EXTENSIONS

4.17.020 To Serve New Consumers Without Direct Access. Extension of the District's water distribution system including, without limitation, mains, storage tanks, pumps and pumping stations, fire hydrants and appurtenances, shall be constructed to serve new consumers whose lands do not have direct access to or do not abut a street or easement containing an adequate distribution main supplied from adequate pumping or storage facilities. Property with direct access to a street or easement containing an adequate distribution main, but which does not have a major frontage on the street or easement, will be served at such street or easement at the discretion of the District, provided that such property and adjacent properties cannot be further subdivided or developed.

4.17.030 Interconnection Between Mains. If the Board of Directors finds that an interconnection between two of its water mains will benefit the District, it may, in its sole discretion, construct said interconnection without entering into a main extension agreement and without all or a portion of the costs thereof being advanced by an applicant for water service as provided by these regulations. The costs of such extensions shall be allocated among the various parcels of land susceptible of service there from on such fair basis as shall be determined by the General Manager and approved by the Board of Directors, taking into consideration the area of each parcel, its potential water requirements and its frontage, if any, on the said interconnection. Said allocated cost shall be paid to the District prior to the commencement of water service to said parcel of land and shall be in addition to the initial charges for service required by these regulations.

4.17.040 Size and Design. All extensions of the District's water distribution system shall be designed by the District and constructed in accordance with the District's plans and specifications. The location, size, type and design of all such extensions shall be sufficient to provide adequate water service for the entire area that can economically by supplied there from as conclusively determined by the District.

4.17.050 Preliminary Engineering and Planning. Upon request, made on a form supplied by the District, the District will prepare a written estimate and preliminary plan of extension or modification of water service. The request must be accompanied by a detailed plan showing the area of proposed service, the proposed water demand, the name and address of the consumer, developer and engineer of the project or development and other project information as may be required by the District. To the extent that they are available, the developer shall supply the District with all master plans, estimates of future water requirements and details of building construction for the purpose of designing the fire protection elements of the water system.

4.17.060 Cost of Preliminary Engineering and Planning. The cost of preliminary engineering and planning shall be included as part of the cost of extending service except that in the event the cost of preparing an estimate exceeds one hundred percent (100%), the District will require payment there for which payment shall become due and payable upon presentation of a bill for same to the applicant.

Should the District determine that the cost of preparing an estimate and accomplishing other engineering and planning work reasonably be expected to exceed $500.00, the applicant shall be required to execute and advance funds for same pursuant to the District's usual form of agreement for this purpose.

4.17.070 Estimate is Not a Commitment to Serve Water. Preparation of an estimate or any other preliminary engineering and planning work undertaken by the District in connection with the applicant's proposed project is not to be interpreted by the applicant as a commitment or agreement by the District, partial or otherwise, to serve water. Said commitment will be made only at the time service actually commences or when the District executes a service extension agreement whichever shall first occur. In the case of a service extension agreement, the commitment of the District to supply water shall be limited to the number of connections to be installed pursuant thereto and in accordance with the terms thereof.

4.17.100 PAYMENT

4.17.110 By Extendor. The applicant for water service shall: (1) pay all costs of designing and constructing such extensions of the District's water distribution system as are required by these regulations; (2) install, or pay the District's cost of installation, of all service lines; and (3) pay the initial charge for water service pursuant to these regulations.

4.17.120 By District. The District may in its discretion pay that portion of the costs of extending its distribution system referred to in these regulations equal to the difference in cost between the size required by the extendor's development and the size that the District requires under its long-range master plan when all the following conditions are present:

(1) The main to be extended replaces a presently inadequate distribution pipeline;
(2) The location of the facility to be constructed is one of those described in the future plans of the District as may be developed and amended from time to time; and
(3) The Board of Directors has determined that it is within the district's financial ability to finance its share of the improvement.

4.17.200 EXTENSION AGREEMENTS

4.17.210 General. After the preparation of preliminary cost estimate and plans pursuant to these regulations and at the time Extendor desires to secure a commitment of water service and proceed with construction, the applicant shall submit a written application for service pursuant to these regulations. Upon applicant meeting all requirements, the District shall prepare an Extension Agreement. The agreement shall specify the terms of payment, estimated cost of extension, requirements for easement or property, special service conditions and other details.

4.17.220 Small Extensions. When the estimated cost of the work to be performed by the District is less than $10,000 (exclusive of District fees), the General Manager of the District is authorized to prepare an agreement with the applicant. All of such agreements shall be in writing in the District's usual form, and signed by the applicant and on behalf of the District by the General Manager.

4.17.230 Land Easements and Rights of Way. All extensions of the District's distribution system shall at all times be the property of, and be controlled by, the District. District facilities shall be located only in dedicated and accepted public streets or rights of way or within easements owned by the District. No facilities will be constructed until all rights of way, easements and facility sites as required by the District shall have been conveyed to the District at the sole cost and expense of the extendor. In the event such rights of way, easements or lands are not conveyed by the extendor, the extendor shall pay the

District its entire cost of acquisition thereof, including appraisers' fees, escrow charges, title insurance premiums and regal expenses.

4.17.240 Reimbursement Agreement. If an extension is made at the expense to the consumer which may serve other property than that of the consumer paying the cost for the extension, the District shall determine the potential for additional services available. Should such a potential exist, the District shall determine the proportionate percentage of the expense to be bared by the primary applicant/consumer. The remaining cost shall be shared by future secondary applicants who subscribe to service and such percentage determined by the District shall be collected from secondary applicants (upon their request for service) and the cost share as determined by the District shall be reimbursed to the primary applicant following such transaction. The reimbursement policy shall be in force continuously but no longer than ten (10) years from the commencement of service to the primary applicant/consumer.

4.17.300 EXTENSION CONSTRUCTION

4.17.310 Construction by Extendor. The extendor may, if he elects, construct extensions to the District's water distribution system, with materials furnished by the District, provided, however, the District reserves the right to construct, with its own personnel or by private contract, any of the following: (1) Pumping plants, storage facilities and main transmission lines; (2) Small extensions; (3) Extensions involving complicated connections to, or interference with, the District's existing facilities.

4.17.320 Conditions of Construction by Extendor. Construction by the extendor shall be subject to each of the following conditions: (1) Prior to commencement of construction the extendor shall execute an extension agreement, advance all costs of materials to be furnished and work to be performed by the District, pay all charges as required by Section 4.17.240 and furnish the District with a corporate surety performance bond satisfactory to the District in an amount equal to 100% of estimated cost of the construction by the extendor; (2) All work shall be performed by a competent and experienced contractor licensed for underground construction and with experienced laborers; (3) All work shall be performed in a good, workmanlike and safe manner and in accordance with the plans and specifications of the District, under its inspection, and to the satisfaction of its Chief Engineer. Risk or loss or damage to materials shall be borne by the extendor until the facilities constructed are accepted by the District; (4) All facilities shall be maintained by the contractor that installed the same for one year, or such longer period as shall be specified by the District, following the acceptance thereof by the District; and (5) The extendor shall indemnify and hold the District, its officers, employees and agents harmless from any liability, arising out of or in any way connected with, such work done by, or on behalf of, the extendor, his employees, agents or contractors.

4.17.330 Construction by District. Subject to the rights of the extendor as set forth In Regulation 4.17.310 and 320, the District will construct extensions of its water distribution system. Such work shall be performed by the District's personnel or by private contract as determined by the District. Such work will be commenced only after the extendor has executed an extension agreement, advanced the total estimated cost of all facilities, paid all charges and provided all easements as required by these regulations.4

4.17.340 Construction Costs.

1. The District shall determine its actual cost of all extensions. Costs shall include labor, material, overhead, engineering, legal and administrative expenses allocable to such work.
2. If the actual cost of such work should exceed the amount paid to the District therefore, the District will invoice the extendor for the excess. If such invoice is not paid promptly, the District shall have the right to refuse water service through such facilities or to said extendor.
3. In the event the actual cost of such facilities is less than the amount advanced to the District, the District will promptly refund such difference.

4.17.400 RELOCATION

4.17.410 To Accommodate Streets and Highways. The District will relocate or reconstruct existing facilities to accommodate construction widening or relocation of streets and roadways and will release easements no longer considered useful to the District on the following conditions:

1. The entire cost of the relocation or reconstruction shall be paid by the party requesting the same if the party is not the County of Sacramento;
2. The new location is such that it will not in the opinion of the District be subject to future relocation; and
3. There shall be conveyed to the District without cost such easements or rights of way for new facilities locations as the District shall consider necessary.

4.17.420 Improvements Under Assessment Proceedings. The District will not bear any part of the cost of any relocation or alteration of its facilities made necessary by improvements undertaken pursuant to improvement act or other assessment proceedings. The public agency undertaking such proceedings shall make arrangements with the District for any such relocation or alteration of the District's facilities which work will not be performed by the District until after it receives satisfactory guarantees of reimbursement of its full actual costs. The amount of said costs shall be paid to the District promptly after they are ascertained. The public agency shall furnish the District with such plans. specifications, surveys, drawings and time schedules related to the improvement work as shall be necessary to enable the District conveniently and efficiently to effect necessary relocation or alteration of its faci2lities.

4.17.430 Required by Public Drainage Works. The District will at its own expense undertake reasonable and normal relocation of its water distribution lines as required by routine drainage projects undertaken by a public agency. Extensive relocation of water distribution lines or relocation of a major transmission line, pumping station, regulation structures and appurtenances, will be undertaken by the District only on a cost-sharing basis mutually satisfactory to the District and the public agency undertaking the drainage project.

4.17.440 Required by Underground/Overhead Utilities. The District will not bear any part of the cost of relocating or altering any of its facilities to accommodate the construction of publicly or privately owned gas lines, telephone and electric cables, sanitary sewers, or other underground or overhead utilities. The District will undertake such relocation or alteration of its facilities only after the District's cost thereof is paid to the District, or such payment is guaranteed to the District's satisfaction.

Chapter 4.21
FIRE PROTECTION FACILITIES

Sections:

4.21.010 GENERAL
4.21.100 HYDRANTS
4.21.110 Hydrant Installation
4.21.120 Installation by District
4.21.130 Installation by Contractor
4.21.140 Hydrant Permits
4.21.200 PRIVATE FIRE PROTECTION FACILITIES

4.21.010 GENERAL. The District will provide water service for fire hydrants and other facilities used exclusively for fire protection, at such pressures and at such rates of flow, as are available from time to time from the District's operation of its storage, transmission and distribution facilities. The District shall not be liable for any damage in any manner arising out of the non-availability of water or water pressure, at any hydrant or facility used for fire protection.

4.21.100 HYDRANTS

4.21.110 Hydrant Installation. Public fire hydrants will be installed and connected to the District's mains when requested by the public fire protection entity having jurisdiction or when required as a condition of a building permit or subdivision. Fire hydrants installed under this Chapter shall belong to the District.

4.21.120 Installation by District. When a hydrant is installed in which the work is performed by the District, the holder of the building permit, developer of the subdivision, or otherwise District-authorized consumer or agency will reimburse the District the actual cost of labor, materials, engineering, inspection and usual overhead expenses in the installation of the hydrant assembly, hydrant lateral, control valve, and the connection to the District facilities.

4.21.130 Installation by Contractor. In the event the District declines to perform such installation, the owner's contractor shall adhere to the terms and conditions as set forth in the District's "Standard Details and Construction Notes" and thereby satisfy the District with plan review, revisions, and plan approval. The responsible party will in addition thereto pay all costs determined by the District which include but are not limited to plan review, engineering, inspections, usual overhead expenses, and applicable fees; and upon completion of the work, will execute a deed and convey legal title including any interest in real property to the District at no cost to the District.

4.21.140 Hydrant Permits. In the event that the District authorizes any person other than the public fire protection agency to use any hydrant of the District for the purpose of securing water, said person shall obtain a hydrant permit, a hydrant meter, and pay the appropriate fees for the purposes stated by the applicant. In the event of an emergency, the Fire District of jurisdiction and/or the Rio Linda/Elverta Community Water District shall have the right to overrule the use of such hydrant(s) by consumer who purchased a permit.

4.21.200 Private Fire Protection Facilities. A private fire protection system is defined as that water supply system which is totally intact and on the land of the Consumer. In order to attach such a system to existing water mains of the District, the following conditions must be met:

1. The land to be served is within the geographical area of the District.
2. The District possesses an adequate supply of surplus water capable of serving a private fire

system.

3. In applying for such service, the consumer has complied with all the applicable requirements of these regulations.

4. The private fire suppression system is for the sole and exclusive benefit and use of the consumer and is located entirely within the consumer's property.

5. The private fire suppression system will be used exclusively for the suppression of fire or for the testing of the fire prevention system.

6. The type and location of the said private fire suppression system has been approved by the responsible fire protection agency.

7. The consumer assumes full responsibility for all maintenance and repair of the said system outside of the public right-of-way.

8. The size and design of the service connections, detector check, cold water fire service type meter, and the reduced pressure device shall all be determined by the District taking into consideration such factors as the ISO requirements and the AWWA requirements.

9. The District reserves the right to disconnect such system or to require cold water/fire service type meter as defined in AWWA Standards C703_79 to be installed in lieu thereof in the event that water is taken through the detector check assembly for any other use than firefighting or testing.

10. The District may require payment for estimated water usage in the event of water consumption for purposes other than fire protection; such events may be determined by incidents of plumbing breaks or leakage or other means of water passage as determined.

Chapter 4.23
ABATEMENT

Sections:

4.23.010 Violation a Nuisance
4.23.020 Other Nuisances
4.23.030 Notices
4.23.100 Summary Abatement in Case of Emergency
4.23.200 Notice to Abate
4.23.210 Effect of Failure to Abate
4.23.220 Hearing; Resolution of Findings
4.23.230 Abatement by District
4.23.250 Record of Expenses; Hearing; Assessment as Lien
4.23.260 Collection of Assessed Costs
4.23.280 Termination of Water Service as Alternative

4.23.010 Violation a Nuisance. Violation of any of the provisions of these regulations is a nuisance subject to abatement.

4.23.020 Other Nuisances. The procedures for abatement established in this Chapter may be used to abate any nuisance which pursuant to law may be abated by the District.

4.23.030 Notices. Notices required in this chapter shall be mailed by certified mail (return receipt not required) to the owner of the subject property and to said owner's mailing address shown on the records of the Assessor of the County of Sacramento. Further, a copy of such a notice shall be posted conspicuously upon the property. Further, when the address for purposes of billing for water service differs from the address shown in the Assessor's records, a notice shall also be mailed by certified mail (return receipt not required) to said billing address. Failure of the owner (or other person to whom notice is given) to receive a notice required in this chapter shall not affect the validity of any proceedings conducted pursuant to this chapter.

4.23.100 Summary Abatement in Case of Emergency. When the conditions which constitute the nuisance pose an immediate threat to the public peace, health, or safety, or may cause irreparable harm to the environment, the Board may order the nuisance abated immediately by adopting by four-fifths (4/5) vote the resolution prescribed in Section 4.23.230 of this code.

4.23.200 Notice to Abate. Upon making a determination that a nuisance exists upon a parcel within the District, the General Manager shall issue a notice to abate the nuisance. Said notice shall contain:

1. The heading notice shall state, "Notice and Order Abate Nuisance" in letters at least ¾" high.
2. The name and address of the person, firm, or corporation in violation, and the street address of the property where the violation is present
3. A list of conditions that create the nuisance.
4. A statement explaining which specific Policy Manual provisions have been violated.
5. An order instituting proceedings for abatement.
6. A statement of required repairs that must be done to abate the violation.
7. The range of the administrative, civil and/or criminal actions and monetary penalties, as described herein, that the District may impose for such violations if not corrected;
8. An order to correct the violation within thirty (30) days with the deadline for correction specified on the notice of violation.
9. A statement informing the recipient of his or her right to an administrative review.
10. A statement that if the person, corporation or entity fails to abate the violation and nuisance or fails to file on a timely basis a request for an appeal hearing, the notice and order shall be final and not subject to judicial review, and all persons served with such notice shall be deemed to have consented to the abatement of the nuisance and that, at the election of the District, the District will abate the nuisance and the costs of such abatement may be charged against the premises and may be recorded as a special assessment or nuisance abatement lien against the premises.

A notice to abate may be issued simultaneously with, and as a part of, any other notice of violation of this code or other law, ordinance, or regulation.

4.23.210 Effect of Failure to Abate. If the owner or other authorized person fails to abate the nuisance within the time period indicated in the notice issued pursuant to Section 4.23.200 hereinabove or has requested a hearing, the General Manager may determine to proceed with abatement proceedings as provided herein below. A notice shall be issued directing the owner or the owner's authorized agent to appear before the Board at a stated time and place to show cause why the Board should not order the nuisance abated.

4.23.220 Hearing; Resolution of Findings. At the time fixed in the notice, the Board shall hear the testimony of all competent persons desiring to testify respecting the condition constituting the nuisance, including the estimated cost of abatement and any other matter which may be pertinent. At the conclusion of the hearing, which may be continued, the Board shall by resolution declare its findings. If the Board

finds that sufficient evidence exists to support a determination that a nuisance exists, it may include in the resolution a declaration that the nuisance exists and an order directing the owner of the property upon which the nuisance exists to abate the nuisance within thirty (30) days after the date of the hearing. A notice containing said resolution shall be issued within seven (7) days from the date of the hearing.

4.23.230 Abatement by District. If the nuisance has not been abated within the time prescribed, the Board by resolution may order the General Manager to abate the nuisance. The General Manager may direct any District employee, contracting agent, or other representative to enter upon the private property in a manner consistent with Section 202 (c) of the *Uniform Building Code* for purposes of abating the nuisance.

4.23.250 Record of Expenses; Hearing; Assessment as Lien. The General Manager shall keep an account of the cost of abatement and shall render an itemized written report to the Board showing the cost of abating the nuisance. Before the report is submitted to the Board, a notice of the written report shall be issued as provided in Section 4.23.030 hereinabove at least ten (10) days prior to the meeting at which the report is to be submitted. At the time fixed for receiving and considering the report, the Board shall consider objections to the cost items raised by the person liable to be assessed for the cost of abatement. The Board may then make such modifications in the report as it deems desirable, after which, by resolution the report shall be confirmed. If the consumer does not pay the expense of abating the nuisance within ten (10) days after the District issues a notice of confirmation of the costs of abatement, the cost shall become a special assessment against the real property upon which the nuisance was abated and a personal liability of the owner of the property. Such assessment shall constitute a lien upon the property. Such lien shall attach upon recordation in the office of the County Recorder a certified copy of the resolution of confirmation.

4.23.260 Collection of Assessed Costs. A certified copy of the confirmed report shall be given to the Assessor and Tax Collector, who shall add the amount of the assessment to the net regular tax bill levied against the property. A certified copy shall also be given to the County Auditor who shall enter the assessment on the county tax roll opposite the parcel of land. The amount of the assessment shall be collected at the time and in the manner of ordinary property taxes. If delinquent, the amount is subject to the same penalties and procedure of foreclosure and sale provided for ordinary property taxes. All laws relating to the levy, collection, and enforcement of county taxes shall apply to such special assessment. The Board may enforce the personal liability of the owner by directing counsel to file suit in a court of competent jurisdiction to collect the cost of abatement.

4.23.280 Termination of Water Service as Alternative. Where the District's interests can be effectively accomplished through termination of water service until such time as the condition on the property creating the nuisance is eliminated, such termination may be ordered in lieu of actions by the District to physically abate the nuisance.

Chapter 4.31
FEES, CHARGES AND BILLING

Sections:

4.31.010 STATEMENT OF POLICY
4.31.020 ADOPTION OF FEES AND CHARGES
4.31.030 CONSERVATION POLICY
4.31.100 CONNECTIONS
4.31.110 Connection Fees
4.31.200 WATER SERVICE CHARGES
4.31.210 Service Charges
4.31.220 Security Deposits
4.31.225 Billing Address
4.31.230 Bill Due Dates

4.31.235 Duplicate Bill to Occupant- Occupant Non-Payment
4.31.240 Billing Periods
4.21.245 Estimated Billing
4.31.250 Receipt of Payments
4.31.260 Advance Payments
4.31.270 Disputed Bills
4.31.280 Late Notice
4.31.282 Partial Payment on Delinquent Accounts
4.31.285 Service Discontinuation
4.31.290 Liens
4.31.295 Collection Fees and Charges
4.31.297 Fee Reversals
4.31.300 METER REREADS, TESTS AND ADJUSTMENTS
4.31.310 Testing the Accuracy of Meters
4.31.320 Meter Rereads
4.31.330 Reimbursement

4.31.010 STATEMENT OF POLICY. As provided in Section 31007 of the Water Code of the State of California, rates and charges shall be so fixed as to yield an amount sufficient to do each of the following: (1) pay the operating expenses of the district; (2) provide for repairs and depreciation of works owned or operated by the District; (3) pay the interest on any debt; and (4) so far as possible, provide a fund for the payment of the principal of the debt as it becomes due.

It is intended by this Chapter to require the district to pay the interest and principal of its debt from the revenues of the water system. The Board of Directors has determined that it is desirable to have all expenditures for operations and debt service funded independently of property tax revenue in order to assure consistent and safe operations.

4.31.020 ADOPTION OF FEES AND CHARGES. The Board of Directors may establish fees and charges related to providing water service and water to any property within the District. Said fees and charges shall be established or amended by a resolution adopted pursuant to Section 54354 et seq. of the Government Code.

4.31.030 CONSERVATION POLICY. Section 2 of Article 10 of the Constitution of the State of California specifically provides in part as follows:

It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare.

The District has established a conservation program within Chapter 4.14 herein in order to reduce the waste of water. The water service rates established herein and the policies related thereto are declared to be a furtherance of that objective. These water service rate policies shall be deemed to be implemented in conformance with: (A) the California Urban Water Conservation Council's Best Management Practices 11, 5, and 9; (B) the intent of the Water Conservation in Landscaping Act (Government Code §65591 et seq.) and the Model Water Landscape Ordinance developed pursuant thereto (Sections 490 through 495 of Chapter 2.7 of Division 2 of Title 23 of the California Code of Regulations); and (C) the terms of the Sacramento Area Water Forum Agreement.

4.31.100 CONNECTIONS

4.31.110 Connection Fees. Fees for connection to the District Water System as indicated in Resolution No. 2001-02-05 shall be paid prior to the installation of a new service connection.

4.31.200 WATER SERVICE CHARGES

4.31.210 Service Charges.

a. Water Service. Fees for water service from the District Water System shall be as indicated in the District's current Water Rates Ordinance.

b. Other Fees. Other water service fees are found in the District's current Fee Ordinance.

4.31.214 Water Budget Implementation. 1. The water service fees (rates) established in Section 4.31.210 hereinabove are intended to create an economic incentive to achieve the California Constitutional objective of preventing water waste. It is recognized that those rates when applied uniformly to all consumers in a class may inadvertently impair achievement of the co-equal Constitutional objective of putting water resources "to beneficial use to the fullest extent." Water in larger volumes may reasonably be used (1) for irrigation purposes by persons engaged in educational or organized recreational activities, by persons engaged in agricultural activities, or by persons in a manner which improve the aesthetic value of property, or (2) for other purposes by persons engaged in economic enterprises. In such cases, the economic impacts of the rate structure are counter-productive to the objectives of the Constitution and such impacts may be mitigated pursuant to "b." herein below.

2. Notwithstanding Section 4.31.210 hereinabove, a consumer may request and the District may provide a water budget agreement prepared in a manner consistent with the standards referenced in Section 4.31.030 hereinabove. . Any proposed water budget agreement developed pursuant hereto shall be approved by resolution of the Board prior to implementing said agreement and may be revoked by the Board should the consumer regularly use water in excess of said budget. Approval shall be based upon an evaluation of the beneficial use involved, the efficiency of methods of use of the water, and the consumer's adherence to best management practices.

3. Notwithstanding all other provisions of this Title, the Board may repeal this Section at any time.

4.31.217 Reduction Due to Accidental Loss. Notwithstanding any other provision herein, the General Manager may reduce the use charges on a water bill by fifty percent (50%) when the following circumstances exist: (A) the consumer's usage on the bill exceeds any other previous usage by a factor of two (2); (B) evidence of the accidental nature of the usage is presented (i.e. a leak, a fire, etc.); and (C) evidence that the cause of the excessive usage has been corrected. No reduction may be granted by the General Manager when a consumer has received a previous reduction within a five (5) year period.

4.31.220 Security Deposits. As provided in Section 4.07.710 hereinabove, a security deposit may be required at the time of initiation of service. The following policies shall apply:

1. At the time of application pursuant to Section 4.07.710 the applicant may establish credit through one of three options:

A. Have a previous record with the District for a period of at least one year of having paid water bills promptly when due. If such is evidenced then no deposit shall be required.
B. Provide the District with a letter of previous electric service within the last 12 months where credit was established and maintained with the District's criteria. Letter must be received within ten (10) working days after application for water service.
C. Pay a deposit of $100.00

2. Maintenance of Credit. A consumer's credit may be deemed to be no longer maintained to the District's satisfaction if such consumer has one or more delinquent charges during a 12 month period, or if the service has been discontinued for nonpayment. In the event of such delinquency, the consumer may be required by the District to reestablish credit and will be subject to a deposit requirement as indicated in paragraph "A." above.

3. Increased Deposit Required Where Credit Not Maintained. Where a consumer or applicant for service does not satisfactorily establish and maintain credit in accordance with District policy, a deposit may be required in addition to an existing deposit in order to increase the total amount retained. The District may discontinue service if consumer fails to make such deposit as requested by the District. The deposit amount required may vary depending on the consumer's previous bills and history but shall not exceed twice the highest bill.

4. Deposit Retention and Refunds. Deposits will normally be held for a period of one year. Deposits will be credited to the consumer's account at the end of the deposit period if consumer has maintained a record of paying his/her account promptly and is in no way indebted to the District. Upon termination of service, the District will return the deposit less the amount of any charges remaining unpaid.

4.31.225 Billing Address. The District shall be responsible, but not limited as such, to render each bill only to one mailing address only for each account in which a consumer has established. The consumer is responsible for notifying the District of any name and/or address changes. Consequences or expenses which may arise from the consumer providing erroneous information or failure to provide needed information shall deem the consumer fully
responsible for such resulting indebtedness due to the District.

4.31.230 Bill Due Dates. All water charges are due and payable upon presentation and are delinquent after date stated on bill (if delinquent date is not stated on the bill, it is considered past due on the 15th day after bill is rendered).

4.31.235 Duplicate Bill to Occupant – Occupant Non-Payment *(approved 9/15/2014)*

1. The District will prepare and mail a duplicate bill to an Occupant, provided the Landowner of the Premises at which the occupant resides satisfies all of the following terms and conditions:

A. The Property owner signs a financial responsibility agreement form provided by the District, in which the Landowner agrees to guarantee payment of any fees and charges incurred by him/ her or their tenants as a result of District water service provided to the Landowner's Premises.

B. The Account pays a bimonthly duplicate mailing fee set by the District to reflect the costs of generating and mailing the duplicate bill.

C. The Property owner will promptly pay the fees and charges due upon receipt of a notice of delinquency.

2. The District reserves the right to require a Property owner to assume sole liability for payment of fees and charges if there is a history of non-payment of bills by that Property owner's occupants.

4.31.240 Billing Periods. All bills (with the exception of some closing bills) will be rendered bimonthly. Opening and closing bills will be prorated according to water consumption and time period if less than the minimum cubic feet and less than two months. Meters will be read at regular intervals for the preparation of regular bills. Meters will be read for opening and closing bills as arranged with District staff upon notification by consumer. In the event that a consumer does not notify the District of moving, or an otherwise change in consumer responsibility for water service, the District may charge the consumer's account based on total water consumption and time period up to the date of which the District was made aware of such change. In the event that weather or emergency conditions prevent meter reading schedules, the District shall charge minimum water rate relative to the consumer's account.

4.31.245 Estimated Billing *(approved 9/15/2014)*
If a meter fails to register correctly or cannot be read, a water service bill will be based on the District's estimate of the quantity of water delivered, taking into consideration past seasonal water demand and any other factors that are material and reasonable in determining a fair charge.

4.31.250 Receipt of Payments. Consumer payments of bills shall be considered paid upon receipt of such payment in the District office only; this includes payments sent via postal delivery. Postmarked dates are not accepted as paid dates. District employees working outside of the District office shall not be obligated to accept payments unless authorized by the District. Late charges and/or discontinuation of service may be applicable if payments are not received by the date stated on the bill. Water service also may be discontinued for nonpayment of a bill for water service rendered (from the District) at a previous location if the bill is not paid within ten (10) days after presentation at consumer's new location.

4.31.255 Payment Arrangements The District may offer up to two (2) Payment Arrangements per calendar year to customers experiencing a financial hardship. In order to qualify for a Payment Arrangement:

1. The customer must be in good standing with previous Payment Arrangements over the past 12 months.

2. The Payment Arrangement must not extend past the current billing cycle, unless approved by the General Manager.

3. A portion of the bill must be paid at the time of the Payment Arrangement.

4. After the District provides the ten (10) day notice of late payment and shut-off pursuant to section 4.31.280 of this policy and section 60371 of the Government Code, the actual user of the services may submit an application with the District to become a customer for water services. Reasonable efforts will be made to confirm the Property Owner's consent to this arrangement. The applicant will be required to provide District with a current lease agreement and proof of timely payment of rent for the month immediately preceding the date of application.

The General Manager or authorized personnel may sign and approve the Payment Arrangement form. The Payment Arrangement form must be signed and received at the District office prior to disconnection of service. If the Payment Arrangement is being requested by the Occupant of a residence who is not the Owner, it must be signed by the Property Owner or have the Owners verbal approval to be valid.

The Customer's failure to comply with a Payment Arrangement as agreed shall result in:

1. The Payment Arrangement being cancelled and rendered null and void.

2. The total outstanding balance will become immediately due and payable in full.

A **Turn- Off Notice tag** will be posted at the property, and the account charged an additional **Turn Off Notice tag fee** per the District's current fee Ordinance.

3. **Failure to pay the amount due** listed on the notice will result in water service to the property **being disconnected on** the date specified on the Turn-Off Notice. In the event water service is turned off, it will not be reinstated until the full account balance, and an additional **Service Turn-Off/Turn-On Fee** per the District's current fee Ordinance, is paid.

4. The District reserves the right to deny future Payment Arrangements.

4.31.260 Advance Payments. Advance payments (overpayments) may be deposited with the District if the consumer so submits. The overpayment will result in a credit balance on the account until charges incurred offset that balance. The District shall not be required to pay any interest or yield on such overpayment.

4.31.265 Returned Check. Customers will be notified by phone or written notice. Checks that are returned by the bank as unpaid can be returned to the issuer in the form of a check copy. A Return Check (NSF) Fee will be assessed, according to the District's current Fee Ordinance. Late fees and penalties will be assessed to the customer's account, if applicable.

1. Where an account has (2) or more returned checks, payment for District services and/or fees will be required in the form of money order, certified check or debit and/or credit card. Payments made via the District's website will be limited to debit or credit cards. No personal checks will be accepted.

   a. The customer may request to make payment with a personal check after demonstrating one (1) year of timely payments on the account.

2. The District may waive the returned check fee for the following circumstances:

   a. Where a customer can demonstrate a check returned by the bank as unpaid is due to fraud. Customer must supply a statement from the bank with letterhead.
   b. Where a customer can demonstrate a check returned by the bank as unpaid is due to bank error. Customer must supply a statement from the bank with letterhead.

3. The Returned Check and fee is due and payable within 10 days.

4. If payment is not received within 10 days, a 48 hr. **Turn Off Notice tag** will be posted at the property as a **Turnoff Notice** for Returned Check. Applicable fees will be assessed to the account. If the account remains unpaid, a **Service Turn-off/Turn-On Fee** for nonpayment shall be issued disconnecting water service to the property and additional applicable fees will apply.

4.31.270 Disputed Bills. Any request for review of a disputed bill must be made in writing. Dispute of a bill shall not justify nonpayment thereof and the bill shall be paid in full when due pending investigation and settlement of the dispute.

4.31.280 Late Notice. Immediately following the due date as provided in Section 4.31.230, a late notice shall be mailed to consumers who have not submitted payment as well as the Occupant who is the actual user of the service. A late charge shall be applied. The late notice or shut off notice shall be issued pursuant to Government Code section 60371. As such, the notice shall be translated to the languages listed in Civil Code section 1632 and shall include: (a) a statement that the account is in arrears and that services will be terminated in ten (10) days; and (b) a statement that Occupants have the right to become customers of the District without paying the delinquent amount in the event that the Occupant is different from the consumer/property owner.

4.31.282 Partial Payment on Delinquent Accounts *(approved 9/15/2014)*
A partial payment on a delinquent account may be accepted and credited to a Customer's account. The partial payment shall not cause removal of the account from a delinquent
status or preclude assessment of fees and charges for delinquent payment, nor shall the partial payment preclude the meter/service from being turned off for delinquency.

4.31.285 Service Discontinuation. Unless the arrears is cured or an Occupant of the service who is not the property owner applies to become a customer of the District, ten (10) days following the mailing of late notices, the District may discontinue water service for delinquent charges which remain unpaid. A written notice shall be served at the property of the water service forty-eight (48) hours prior to discontinuation of service. A notification charge may be applied. The District shall not be obligated to serve the 48-hour notice person-to-person; rather, placement of the notice shall be in a conspicuous area such as a door, fence. or any area determined to be most accessible and safe by the District representative. The District shall not be obligated to adjust notification time or other procedures due to consumers absence for any reason and consequential delay of receipt of such notice. Notice at the property shall be deemed sufficient to permit service termination for non-payment regardless of who occupies the property. Following the 48-hour period, service may be terminated for non-payment and a discontinuation charge shall be applied. Service may be reinstated pursuant to Section 4.07.710 following payment of delinquent charges.

4.31.290 Liens for Unpaid Charges. Water delivered to real property by said District shall be deemed an improvement to said real property, and the legal charge therefore shall constitute a lien thereon which shall only be discharged by payment thereof.

California law allows the District to record liens in order to secure payment of unpaid and delinquent charges for water or services provided to District customers. Depending upon the circumstances, the District may be able to place a lien against the property receiving the water service or against all real property owned within the county by the person responsible for paying the water charges for water or other services provided.

When a Customer's water bill becomes delinquent and/or when the District terminates water service or when the District has determined that the recovery of the amount due may be uncertain due to abandonment of a Parcel and/or Service Connection, then the District may secure the unpaid charges at any time by filing a certificate with the Sacramento County Recorder, which states the name and address of the Customer responsible for paying the charges. Pursuant to Water Code §31701.7, the unpaid charges along with penalties and interest shall be a lien against all real property owned by the responsible Customer.

Additionally, the District shall furnish the Sacramento County Board of Supervisors with an annual report before August first (1st) that includes a statement of delinquent and unpaid charges for water and other services requested by a property owner in writing if they remain delinquent and unpaid for sixty (60) days on July first (1st), as determined by the District Board of Directors. Pursuant to Water Code §31701.5, these unpaid amounts shall be added to and become a part of the annual property taxes levied against the real property receiving the water services.

The District also may choose to collect any delinquent charges by any other legally-permitted means within its authority.

If a lien placed on a property is not paid and released within one (1) year and additional charges are incurred, the lien will be released and reliened by the District annually until all outstanding fees are paid. An additional Property Lien Fee charge found in the current Fee Ordinance will be applied with each lien of the property.

4.31.295 Collection Fees and Charges. Fees for collection of past due bills shall be as indicated in Section 4.31.210.

4.31.297 Fee Reversals. *(approved 9/15/2014)*
District staff has authorization to reverse a late fee once in a 12 month period, so long as the customer's payment history has been in good standing for the last 12 months. 48 hour tag fees and disconnect/reconnect fees can be waived by the General Manager or designated staff member for extreme circumstances (exp., death, terminal illness or injury) once in a 12 month period. The District will not waive fees for mail related issues.

4.31.300 METER REREADS, TESTS AND ADJUSTMENTS

4.31.310 Testing the Accuracy of Meters. A consumer may, with a minimum of seven (7) working days written notice, request the District to test the water meter serving the premises. The charge for this service is found in the District's current Fee Ordinance.

This payment will be refunded if the test indicates that the meter registers more than 2% fast. Additionally, if the meter was found in error as stated, the consumer's account may be adjusted for the overcharge or other undercharge. The adjustment shall be the equivalent of the average water usage for that consumer at that time of year. If the consumer has no history for that time of year in which to calculate the average, a minimum charge shall be assessed. Such adjustment shall be retroactive for no greater than three (3) billing periods or six (6) months. The meter shall be replaced with a new meter if it registers more than 2% slow.

4.31.320 Meter Rereads. A consumer may, within two weeks following presentation of the first billing notice (each period); request the meter to be reread. The consumer is limited to one such request each billing period without charge. The consumer is limited to two such requests per year without charge. Additional requests shall require a fee found in the District's current Fee Ordinance. Additional requests may be refused by the District if the District determines such requests to be unnecessary. Any reread which results in an adjustment of the bill will not be counted in the limits specified herein.

4.31.330 Reimbursement. Upon written application of a consumer, the district will allow a credit against future water charges to the extent the consumer has paid water charges erroneously levied by the District in excess of the proper water charge, provided that the credit will not apply to charges levied more than two years before the application for the credit was filed.

Items for Discussion and Action
Agenda Item: 4.9

Date: July 20, 2015

Subject: Adoption of Integrated Regional Water Management Plan Resolution 2015-04

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

The Finance & Administrative Committee recommends the Board approve Resolution 2015-04.

Current Background and Justification:

Regional Water Authority (RWA) was designated in 2009 by the California Department of Water Resources as the Regional Water Management Group (RWMG) authorized to prepare and implement an Integrated Regional Water Mgmt. Plan (IRWMP). The District's support of this resolution is needed for RWA to apply for grant funding.

Conclusion:

Staff and the Finance & Administrative Committee recommend approval of this resolution in order to obtain future grant funding through the RWA.

Conclusion:

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.9

Date

Initial Potential Meeting Date 7/20/15

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

Adoption of Integrated Regional Water Management Plan Resolution 2015-04

7/8/15

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 7/8/15

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review 7/6/15

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

GM Review 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

RESOLUTION 2015-04

Resolution of Adoption of the

American River Basin Integrated Regional Water Management Plan

Whereas, the stakeholders of the American River Basin (ARB) support a vision of responsibly managing water resources for the lasting health of the region's community, economy, and environment;

Whereas, the stakeholders of the American River Basin recognize the development and implementation of an Integrated Regional Water Management Plan (IRWMP) will support realization of this vision;

Whereas, Regional Water Authority (RWA) was designated in November 2009 by the California Department of Water Resources as the Regional Water Management Group (RWMG) authorized to prepare and implement an IRWMP within the ARB planning area;

Whereas, since November 2009, RWA has collaborated extensively with regional stakeholders to develop a vision, principles, goals, and objectives to support the ARB IRWMP;

Whereas, the ARB IRWMP is not a legally binding document on the stakeholders adopting the plan, but rather serves as a framework for coordinated planning in the region;

Whereas, the ARB IRWMP is a living document, with defined processes for updating plan components;

Whereas, RWA, serving as the RWMG, adopted the ARB IRWMP at a public meeting held on July 11, 2013.

THEREFORE, BE IT RESOLVED, that Rio Linda/Elverta Community Water District hereby adopts the ARB IRWMP that provides a broadly supported vision, principles, goals, and objectives to help ensure sustainable water resources in the region. Rio Linda/Elverta Community Water District will strive to ensure that projects it submits into the ARB IRWMP have considered opportunities for achieving integrated benefits. Furthermore, Rio Linda/Elverta Community Water District will update information on any of its projects included in the ARB IRWMP on at least an annual basis.

PASSED AND ADOPTED AT THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT ON THE 20TH DAY OF JULY, 2015, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

Duane Anderson, President

Mary Henrici, Board Secretary

INTEGRATED REGIONAL WATER MANAGEMENT

A Plan for the American River Basin

2013 UPDATE

What is Integrated Regional Water Management?

Integrated Regional Water Management (IRWM) is an effective way to address complex water resources challenges. IRWM is driven by stakeholders that identify major water and related resource management issues and their proposed solutions. It maximizes economic and societal benefits in an equitable manner, while maintaining the ecosystem critical to water resource sustainability.

IRWM provides the following benefits:

- Establishes a common vision and goals and a stronger regional understanding of water resources issues and potential solutions.
- Creates opportunities to identify projects that align with the vision and goals.
- Creates opportunities to develop multi-partner projects with better economies of scale and more potential funding sources.
- Establishes a framework to monitor and evaluate the region's progress toward meeting its goals.
- Establishes an adaptive process to address tomorrow's water resources challenges.

History of Regional Planning in the Greater Sacramento Area

The greater Sacramento area has been involved in integrated water planning and implementation for two decades. In 1993, a diverse group of stakeholders began a 7-year facilitated effort to develop regional solutions to meet municipal, agricultural, and environmental water needs. More than 40 signatories signed the Water Forum Agreement (WFA) in 2000, which includes the co-equal objectives of: (1) providing water reliability for planned development to the year 2030, and (2) protecting and preserving the lower American River. The WFA remains the foundation of regional integrated planning to this day.

In 2001, water suppliers in the Sacramento area formed the Regional Water Authority (RWA) as a joint powers authority to help implement elements of the WFA. RWA developed the first American River Basin (ARB) Integrated Regional Water Management Plan (IRWMP) in 2006. RWA was approved by the California Department of Water Resources as the Regional Water Management Group (RWMG) in 2009 and is responsible for developing and maintaining an IRWMP on behalf of the region.

History Leading to the 2013 ARB IRWMP Update

LEGEND

ARB	American River Basin
ARBCA	American River Basin Cooperating Agencies
DWR	California Department of Water Resources
FRWA	Freeport Regional Water Authority
IRWMP	Integrated Regional Water Management Plan
RWA	Regional Water Authority
RWMG	Regional Water Management Group
RWMP	Regional Water Master Plan
WFA	Water Forum Agreement

1993 – 1993 – Water Forum process begins to resolve conflict over growth in region and impacts to the lower American River.

1994

1995

1996

1997

1998 – 1998 – ARBCA begins with 15 agencies to develop RWMP to identify projects and operations in support of Water Forum.

1999

2000 – 2000 – WFA is completed with 40 signatories. WFA serves as foundation of integrated regional planning effort.

2001 – 2001 – RWA formed to assist local agencies in implementing components of WFA.

2002 – 2002 – RWA receives $21 million Prop 13 grant award on behalf of local agencies to construct 12 projects in support of WFA.

2003 – 2003 – ARBCA completes RWMP. Recommends RWA take over coordination of future regional water management planning.

2004 – 2004 – RWA works with 18 agencies to begin developing IRWMP.

2005 – 2005 – RWA partners with FRWA to broaden area covered by IRWMP.

2006 – 2006 – RWA receives $25 million Prop 50 grant award on behalf of local agencies to construct 14 priority projects from adopted ARB IRWMP.

2006 – RWA and FRWA adopt initial ARB IRWMP.

2007

2008

2009 – 2009 – RWA holds initial stakeholder meetings to begin a comprehensive ARB IRWMP Update.

2009 – RWA approved by DWR as RWMG for purpose of developing and implementing the ARB IRWMP.

2010

2011 – 2011 – RWA receives $16 million Prop 84 grant award on behalf of local agencies and organizations to implement 17 priority integrated projects.

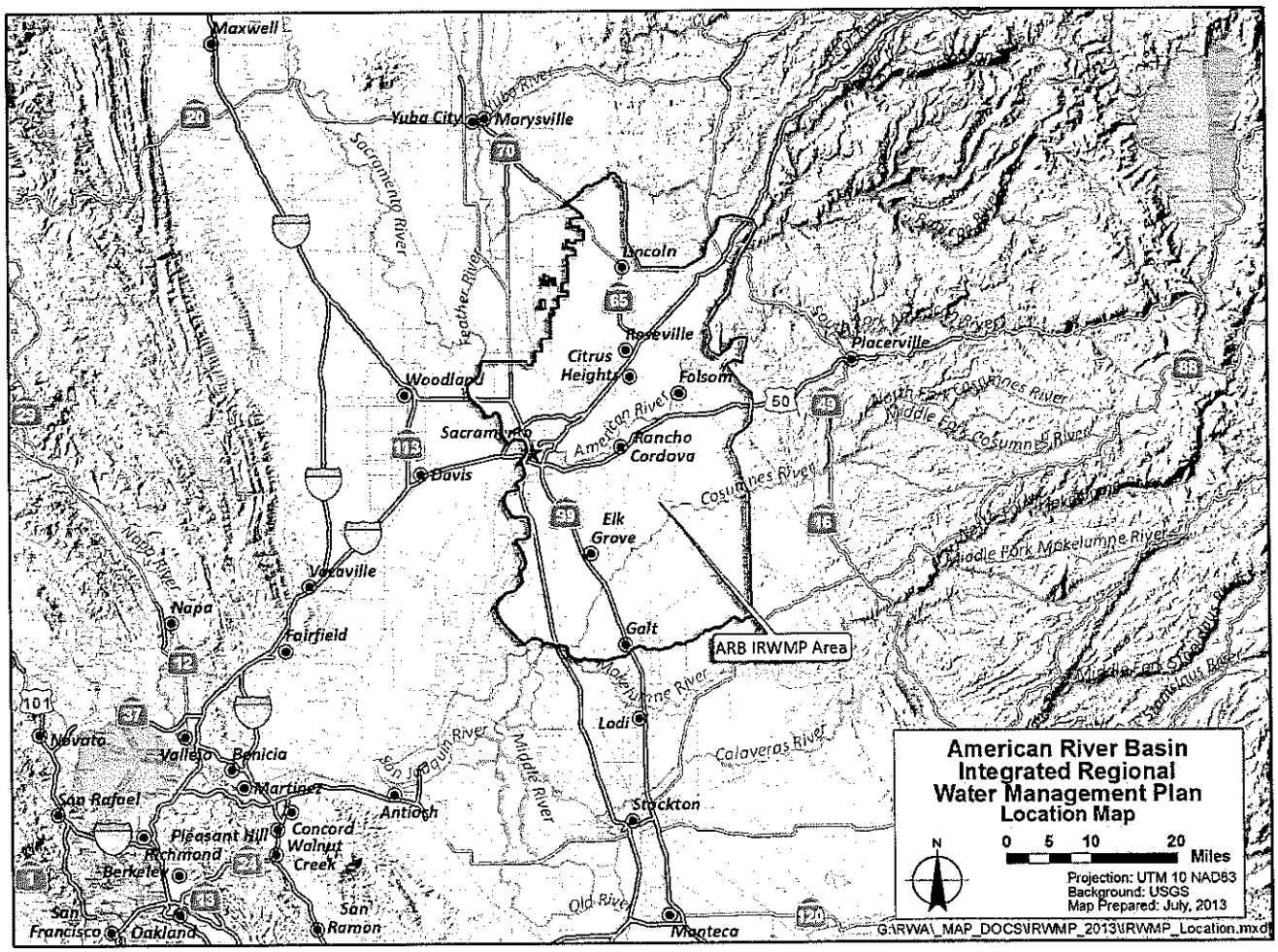
2012

2013 – 2013 – RWA adopts 2013 ARB IRWMP Update following 20 stakeholder and work group meetings held over more than 3 years. More than 60 distinct local, state, and federal agencies and other organizations participated in IRWMP development.

Implementation of 2013 ARB IRWMP and continued regional coordination

The ARB Region

The ARB Region encompasses the greater Sacramento area. It includes most of Sacramento County and the western portions of Placer and El Dorado counties. The region's boundaries are shown below.



Water Resource Management Challenges in the ARB Region

The ARB Region is located at the confluence of the Sacramento and American rivers and includes Folsom Lake, one of the largest reservoirs in the state. The region also overlies a substantial groundwater basin. Despite this seemingly ideal water resources setting, there are many challenges to maintaining a sustainable water resources system that supports a healthy community, economy, and environment. These challenges include: increased future demand to support growth amid an uncertain climate future; decreased reliability due to failures of an aging water supply infrastructure; increased political and regulatory pressures that could reduce local water supply; decreased availability of clean water supply due to existing and emerging contaminants; reduced and degraded ecosystems to support healthy habitat, species, and our overall quality of life; and high risk of catastrophic flooding putting the people, property, and environmental resources of the region in harm's way.

ARB IRWM Governance

While RWA has the ultimate responsibility for developing and maintaining the ARB IRWMP, it was developed largely by the ARB stakeholders. It took nearly 4 years to collaboratively develop the IRWMP elements, which are referred to as the "Framework." Stakeholders convened in 20 workgroup meetings and workshops that had about 60 distinct organizations participating and over 120 individual participants.

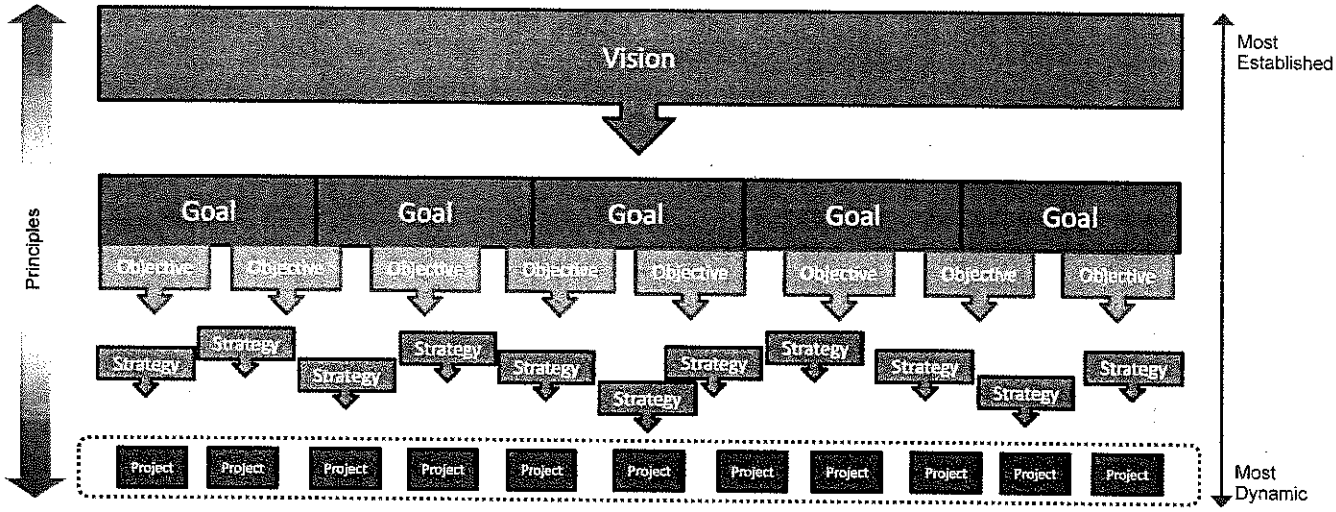
These participants represented:

- City and County Governments
- Water Supply Agencies
- Flood Management Agencies
- Environmental Stewardship Organizations
- Community Organizations
- Industries and Businesses
- State and Federal Agencies

Collectively, this group of stakeholders serves as what is referred to as the Planning Forum. The Planning Forum will continue to convene during IRWMP implementation to discuss water-related issues and propose solutions. Also within the governance structure is an Advisory Committee (AC) composed of five representatives with broad knowledge of regional issues. The AC's oversight serves to ensure that stakeholders have an opportunity to participate in the IRWMP. The AC also makes recommendations related to IRWMP development and implementation for consideration by the RWMG. Finally, the RWMG, represented by the RWA Board of Directors, is responsible for developing, maintaining, implementing, and updating the IRWMP. Individual stakeholders are responsible for implementing specific projects in the IRWMP.

The ARB IRWM Framework

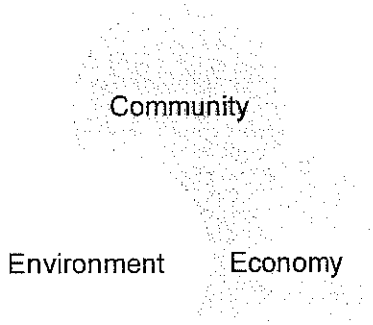
The ARB stakeholders and RWA together developed the ARB IRWM Framework shown below. The Framework serves as the heart of the ARB IRWMP. It lays out a vision for the desired end result of the IRWM effort, guiding principles, goals, and objectives. It also establishes a process for adding and modifying strategies and projects to help meet the goals and objectives of the IRWMP.



The higher level Framework elements (vision, goals, objectives) are broadly supported and foundational. These elements are not expected to change frequently. In contrast, the lower level Framework elements (strategies and projects) are more specific and dynamic. These may address a specific problem and will be adjusted as needs of the region change. The Framework provides for a living and adaptive IRWM process.

Vision

The American River Basin Region will responsibly manage water resources to provide for the lasting health of our community, economy, and environment.



Goals

To help realize the vision, the ARB stakeholders developed a series of regional goals.

1. **Provide reliable and sustainable water resources, sufficient to meet the existing and future needs of the region.**
2. **Protect and enhance the quality of surface water and groundwater.**
3. **Protect and enhance the environmental resources of the watersheds within the region.**
4. **Protect the people, property, and environmental resources of the region from damaging flooding.**
5. **Promote community stewardship of our region's water resources.**

Objectives

Meeting our ARB IRWMP goals will depend on addressing 17 primary objectives developed with extensive stakeholder input.

GOAL AREA	OBJECTIVE
Water Resources	▪ Meet current and future water resources needs. ▪ Increase water use efficiency. ▪ Improve ability to reliably meet water demands during dry or emergency conditions. ▪ Increase the use of recycled water for appropriate uses.
Water Quality	▪ Remediate contaminated groundwater and reuse it to the extent feasible. ▪ Improve protection of beneficial uses of surface water and groundwater. ▪ Recharge and reuse stormwater and urban runoff to the extent practicable.
Environmental Resources	▪ Maintain and improve the ecosystem function of area streams and watersheds. ▪ Maintain and improve habitat of area watersheds. ▪ Conserve natural riparian buffers in undeveloped portions of local watersheds and restore buffers in developed areas when possible.
Flood Management	▪ Increase the capacity of the flood management system to meet applicable standards for designated areas and land uses. ▪ Maintain and improve levees and other flood-related infrastructure to reduce flood risk. ▪ Maintain and restore/reconnect floodplains to provide flood storage and other benefits. ▪ Improve management of residual flood risks.
Community Stewardship	▪ Increase awareness of the need for, benefits of, and practices for maintaining sustainable water resources. ▪ Improve integration of water resources planning with land-use planning. ▪ Increase sharing of information, studies, and reports to further advance integrated regional water management.

Principles

Our principles are statements that articulate our shared values. They guide how stakeholders should view planning and implementation in the ARB Region.

- **Planning for sustainability of our water resources considers all aspects of our watershed. This includes:**

  Strive for balance in environmental, economic, and social impacts and benefits in decision making and actions.

  Recognize and promote the value of healthy watersheds, ecosystems, and underlying groundwater basins to provide sustainable water resources.

  Promote solutions that seek to minimize impacts to the environment.

  Promote policies and practices that enhance natural watershed functions.

  Develop projects and programs that allow for the fair treatment of people of all races, cultures, and incomes.

- **Further integration to achieve multiple benefits is employed throughout our water resources planning. This includes:**

  Value the entirety of the water cycle and consider all forms of water as a potential resource.

  Prioritize solutions that are integrated, addressing as many objectives, and providing as many benefits as possible.

  Promote improved integration of land-use planning and management with water resources management.

  Collaborate to take advantage of the benefits and synergies of water resources planning at the regional level.

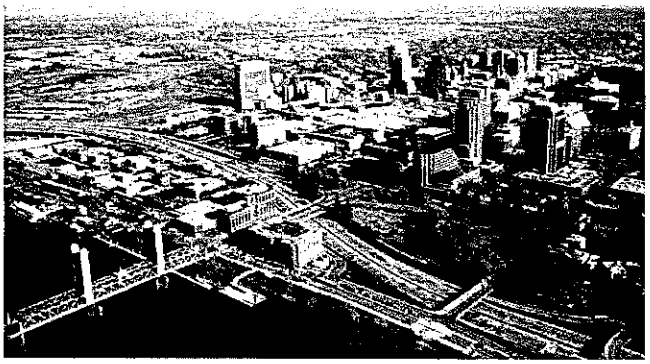
  Collaborate with other IRWM regions.

- **Adaptive management techniques and active monitoring are employed in managing our water resources. This includes:**

  As needed, adapt planning processes and use the best available information, data, and tools as feasible, to address changes in a dynamic system and reflect evolving science, changing regulations, and/or program evaluation results.

  Regularly monitor and evaluate to determine if objectives and targets are met.

  Incorporate mitigation and adaptation measures in all aspects of planning and implementation in preparation for projected future changing climate conditions.



- **A broader community is engaged as stewards of our water resources. This includes:**

  Promote transparency and open communication.

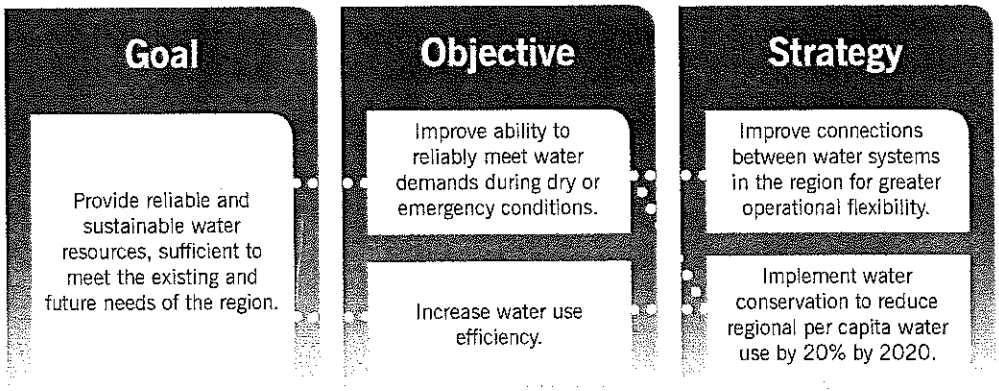
  Build community awareness and encourage participation in stewardship of water resources.

  Promote and educate on the value of pollution prevention and source reduction.

Strategies

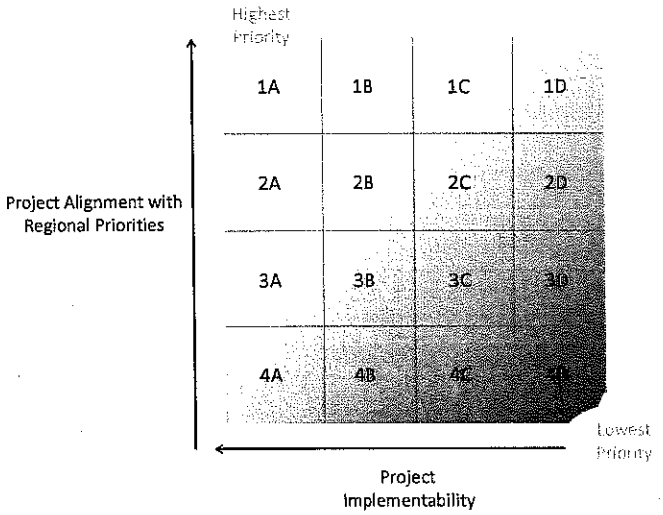
Strategies are specific approaches or methods for achieving our objectives and resolving specific issues. Strategies trigger action.

In contrast to vision, goals, principles, and objectives, strategies are dynamic. Strategies state a distinct target, quantifiable if possible, and a deadline to meet that target, if possible. Multiple strategies may help achieve an objective; likewise, a single strategy may help make progress toward multiple objectives and goals. An example of these interrelationships among goals-objectives-strategies is shown below. Stakeholders may propose a new strategy at any time, and new strategies can be reviewed, vetted, and added to the IRWMP on a quarterly basis.



Projects

One of RWA's roles is to help prioritize and promote projects that help implement the ARB IRWMP. This requires a project review process to help determine which projects are in the regional interest to promote and implement. The project review process was developed with stakeholder input. Projects are given scores in two primary areas:



- Project Alignment with Regional Priorities Score (rated 1 to 4)

  This score considers how a project provides benefits to the region, as defined by (1) ARB goals and objectives, and (2) level of integration with other regional projects.

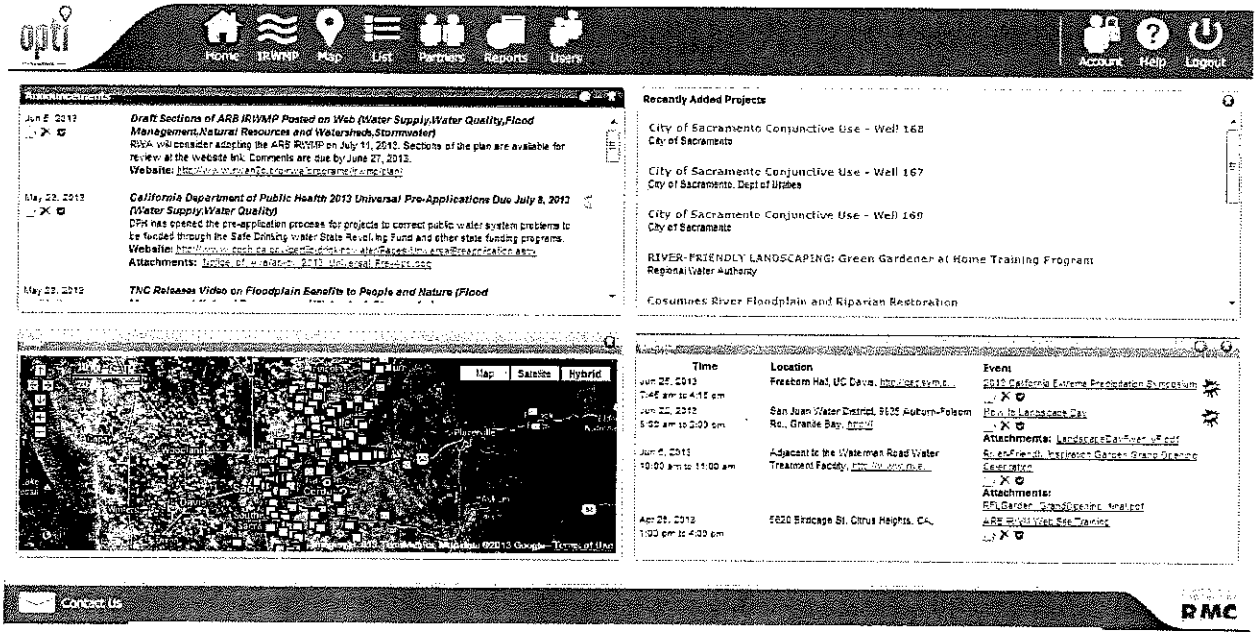
- Project Implementability Score (A to D)

  This score considers the readiness for a project to proceed and its overall feasibility.

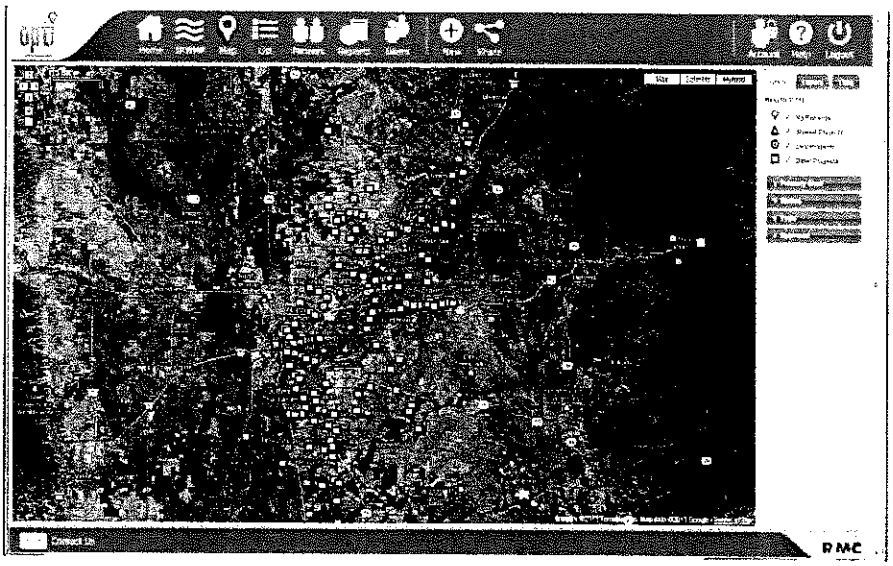
Based on scoring, projects are placed into one of 16 alphanumeric tiers. Projects in Tier 1A are considered the most aligned with regional priorities and most ready to proceed. Projects in Tier 4D would be least aligned to regional priorities and least ready to proceed. However, these rankings are not absolute with respect to a project's priority in the region. For example, a groundwater well construction project may rank in Tier 3 on its merits, but may be regionally important as part of a conjunctive use strategy. Likewise, a low score may simply indicate that a project is not yet well developed. Project proponents may improve projects or update project information at any time to improve their ranking. Stakeholders also have an option to add a project without receiving a ranking. This encourages entering projects that might be in early development, which could expand opportunities for collaboration nearer the onset of project planning.

The ARB IRWM Online Community

To help ensure an engaged stakeholder community during development and implementation of the ARB IRWMP, RWA developed Opti. Opti is an online planning community where stakeholders can stay connected with issues related to IRWM. Community members can enter and share announcements, events, and information about IRWMP projects.



Opti promotes IRWM in the following ways:



- Opti provides a central location for sharing information (e.g., currently proposed ARB projects, upcoming meetings, water-related events, progress on IRWM).
- Using Opti fosters collaboration and builds a community.
- Opti efficiently collects and displays details of ARB project information in real time.
- Opti's map interface adds an element for stakeholders to identify "where" potential partners are in the region.
- Opti is a project database that can be easily maintained and updated, ensuring a living IRWM process.
- Opti creates an opportunity for communication among project proponents for potential resource and cost sharing.

Opti is available at: *http://irwm.rmcwater.com/rwa/login.php*

Implementation of the ARB IRWMP

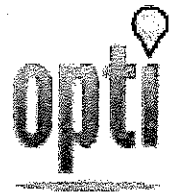
As the RWMG, RWA assumes responsibility for developing, adopting, maintaining and monitoring the ARB IRWMP. Individual stakeholders can voluntarily adopt the ARB IRWMP as well, and adoption will be required if a stakeholder desires to participate in a regional effort to pursue funding for proposed projects. Adoption may also be required for stakeholders pursuing other funding opportunities on their own, but this will be up to specific criteria for any given program.

The IRWMP Framework largely identifies the elements needed to implement the ARB IRWMP. The Framework is designed to be adaptable into the future. It establishes the IRWMP elements that should remain relatively fixed and those that should be dynamic. Changes to the Framework vision, goals, objectives, and principles are not expected to occur frequently, and they would require RMWG approval. In contrast, strategies and projects are meant to be dynamic and changes would be proposed by and vetted with stakeholders. Modifications to strategies and projects do not require any formal action by the RWMG.

Other potential future changes to the ARB IRWMP that would require RWMG approval include:

- Proposed changes to the IRWMP boundary.
- Proposed changes to the IRWMP Governance Structure.
- Proposed changes to the project review process.
- Updates to comply with revised IRWMP Guidelines.
- Updates to respond to newly available information or other policy changes that could affect the ARB Region.
- Authorizing new studies that could benefit planning in the ARB Region.

Successful implementation of the ARB IRWMP will help achieve the region's water resources vision of providing for the lasting health of our community, economy, and environment. The strong foundation created by the ARB IRWMP will continue to guide water resources management efforts to our present and our future benefit.



Want to learn about and stay up to date on regional water management efforts?

Have projects to share?

Join the **ARB IRWM community!**

Log in at *http://irwm.rmcwater.com/rwa/login.php*

More information and the complete ARB IRWMP is also available at *http://www.rwah2o.org/rwa/programs/irwmp/plan/.*

AMERICAN RIVER BASIN

Integrated Regional Water Management Plan

2013 UPDATE

REGIONAL WATER AUTHORITY
5620 BIRDCAGE STREET, SUITE 180
CITRUS HEIGHTS, CA 95610

Items for Discussion and Action
Agenda Item: 4.10

Date: July 20, 2015

Subject: 4.10 ACWA Fall Conference Dec. 1-4, 2015

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

This item was not reviewed by committee.

Current Background and Justification:

The ACWA fall conference will be held in Indian Wells this December. It was originally budgeted for both the Manager and Mr. Green attend the ACWA conference. The costs for the conference exceed what was estimated for the current budget so the District Manager suggests that only Mr. Green attend this conference. The estimated costs include:

$695.00 Conference registration
$840.00 $210 X 4 nights hotel
$700.00 plane fare
$100.00 taxi
$120.00 meals

$2,445.00 per person

Conclusion:

Management gains a great deal of information from this conference. Due to the high cost of this event it is felt only one person should attend.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:_____Green:_____Ridilla:_____ Anderson:_____Harris:_____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.10

Date

Initial Potential Meeting Date 7/20/15

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

ACWA Fall Conference Dec. 1-4, 2015

7/16/15

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 N/A

Review by appropriate Finance/Administration, Projects /Planning 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 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

Items for Discussion and Action
Agenda Item: 4.11

Date: July 20, 2015

Subject: Special District Risk Management Authority (SDRMA) 2015 Election Ballot Resolution 2015-06

Staff Contact: Mary Henrici, General Manager

Recommended Committee Action:

This item was not reviewed by committee.

Current Background and Justification:

SDRMA's election committee has reviewed the nomination documents and qualifications submitted by the candidates. Attached is the Candidate's Statement Qualifications for the Board's review.

Conclusion:

The Board is being asked to vote for 3 candidates by resolution to SDRMA's Board of Directors.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____Ridilla:____ Anderson:____Harris:____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.11

Date

Initial Potential Meeting Date 7/20/15

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

Special District Risk Management Authority (SDRMA) 2015 Election Ballot Resolution 2015-06

7/16/15

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 N/A

Review by appropriate Finance/Administration, Projects /Planning 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 7/16/15

Actual Meeting Date Set for Agenda Item 7/20/15

Maximizing Protection.
Minimizing Risk.

1112 I Street, Suite 300
Sacramento, California 95814-2865
T 916.231.4141
T 800.537.7790
F 916.231.4111
www.sdrma.org

SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for three (3) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in January 2015.

On May 6, 2015, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2015-01 Establishing Guidelines for Director Elections. The Election Committee confirmed that four (4) candidates met the qualification requirements and those names are included on the Official Election Resolution Ballot.

Enclosed is the Official Election Resolution Ballot along with a Statement of Qualifications as submitted by each candidate. Election instructions are as follows:

1. The enclosed combined Official Election Resolution Ballot must be used to ensure the integrity of the balloting process.

2. After selecting up to three (3) candidates, your agency's governing body must approve the enclosed Official Election Resolution Ballot. **Ballots containing more than three (3) candidate selections will be considered invalid and not counted.**

3. The signed Official Election Resolution Ballot MUST be sealed and received **by mail or hand delivery at SDRMA's office on or before 5:00 p.m. on Tuesday, August 25, 2015 to the address below.** Faxes or electronic transmissions are NOT acceptable. A self-addressed, stamped envelope is enclosed.

   Special District Risk Management Authority
   Election Committee
   1112 "I" Street, Suite 300
   Sacramento, California 95814

5. The four-year terms for newly elected Directors will begin on January 1, 2016 and terminate on December 31, 2019.

6. Important balloting and election dates are:

   August 25, 2015 - Deadline for members to return the signed Official Election Resolution Ballot
   August 26, 2015 - Ballots are opened and counted
   August 27, 2015 - Election results are announced and candidates notified
   September 23, 2015 - Newly elected Directors are introduced at the SDRMA Annual Breakfast to be held in Monterey at the CSDA Annual Conference
   October 28-29, 2015 – Newly elected Directors are invited to attend SDRMA board meeting (Sacramento)
   January 2016 - Newly elected Directors are seated and Board officer elections are held

Please do not hesitate to call SDRMA's Chief Operating Officer Paul Frydendal at 800.537.7790 if you have any questions regarding the election and balloting process.

California Special Districts Association
1112 I Street, Suite 200
Sacramento, California 95814-2865
T 877.924.CSDA (2732)
F 916.442.7889

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, California 95814-2865
T 877.924.CSDA (2732)
F 916.442.7889

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RESOLUTION NO.2015-06

**A RESOLUTION OF THE GOVERNING BODY OF THE
Rio Linda / Elverta Community Water District
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

WHEREAS, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

WHEREAS, SDRMA's Board of Directors approved Policy No. 2015-01 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

WHEREAS, Policy No. 2015-01 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Rio Linda / Elverta Community Water District selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)

Rio Linda / Elverta Community Water District
Resolution No. 2015-06

SDRMA

OFFICIAL 2015 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

VOTE FOR ONLY THREE (3) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 5:00 p.m., Tuesday, August 25, 2015. Faxes or electronic transmissions are NOT acceptable.

☐ **ROBERT SWAN**
Director/President, Groveland Community Services District

☐ **ED GRAY** (INCUMBENT)
Director/President, Chino Valley Independent Fire District

☐ **R. MICHAEL WRIGHT**
Director/President, Los Osos Community Services District

☐ **SANDY SEIFERT-RAFFELSON** (INCUMBENT)
District Clerk, Herlong Public Utility District

ADOPTED this ____ day of _____, 2015 by the Rio Linda / Elverta Community Water District by the following roll call votes listed by name:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____

APPROVED: _____

Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate: Robert Swan
District/Agency: Groveland Community Services District
Work Address: P.O. Box 350, Groveland, CA 95321
Work Phone: 209-962-7161 Home Phone: 209-962-6535

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

SDRMA's services are particularly important to the successful operation of smaller special districts, such as the one I serve. I would like to contribute what I can to ensuring that SDRMA continues to provide its vital services to its member agencies, prudently and cost-effectively.

Board oversight can be time-consuming. Due to my personal circumstances (retired, single, two hours from Sacramento), I will be able to participate regularly in Board activities.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have been a member of the governing Board of the Groveland Community Services District (water, sewer, fire and parks district) since June 2013. I've served as Board President since January 2014.

Since February of 2010, member of the Board of Pine Cone Performers, a community choral and drama organization.

During 1995 to 2001, I was a delegate to the Institute of Electrical and Electronics Engineers (IEEE) committees working on standards development in the area of wireless communications.

Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

In my work career in the semiconductor industry, I managed business operations and organizations with annual budgets in the range of ten to twenty million dollars, so I have a good working knowledge of budgeting and accounting principles. My academic background (BS in Physics, MS in Computer Science) and work experience have given me a solid understanding of statistical modeling and economic cost-benefit analysis.

What is your overall vision for SDRMA? (Response Required)

SDRMA has a well-defined role in providing comprehensive insurance coverage to member agencies. Clearly, continuing this function is central to its future operations. I would like to see continued expansion of the educational and loss-prevention aspects of the operation, as these are the keys to improving cost-effectiveness. However, as an insurance entity, prudent financial management is of paramount importance, and functional expansion must be thoughtfully controlled.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature [signature] Date 4-9-15

Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Ed Gray
District/Agency Chino Valley Independent Fire District
Work Address 14011 City Center Drive, Chino Hills, CA 91709
Work Phone 909 902-5260 Home Phone 909 9627-4821

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

When appointed to the Board of Directors of SDRMA in November of 2010, and my election to the Board 2012, I made a commitment to be an effective member of the SDRMA team and to work hard to ensure the continued success of the organization. As a Board member, I believe I have shown that I seek to understand issues and use common sense when making decisions. I wish to continue my service to SDRMA, as I can be a positive member of the SDRMA team and an asset to the members, Board and staff.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I currently serve on the Board of Directors of the SDRMA and serve as Secretary. I have been an elected Director of the Chino Valley Independent Fire District since 2004. During my tenure, I have served multiple terms as President and Vice-President, and as a member of our Finance, Planning, and Personnel Committees. I have served as Liaison to the City Councils of Chino and Chino Hills and to the San Bernardino County Board of Supervisors. I am also the District's representative and current Chairman of the Citizens Advisory Committee for the California Institution for Men in Chino. I am a member of the Chino Valley Lions Club. I also serve on the Governing Board of the Green Valley Lake Mutual Water Company.

Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

After serving in the US Army, I enjoyed a lengthy career in law enforcement retiring in 2004 as a Police Lieutenant. I learned early in my career, that to be an effective individual and leader, it was important to actively listen to people; to seek understanding of all sides of an issue; and make decisions based on common sense and "rightness".

My experience as an elected official has broadened my knowledge and reinforced my belief that decisions must be made based on what is right, and not on what is a personal preference.

What is your overall vision for SDRMA? (Response Required)

I see SDRMA as continuing its journey as a successful, effective and efficiant service provider through innovation, right thinking and conservative business strategies. I can visualize the organization exploring other avenues of financial endeavors that will benefit our customers.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____ Date 3-30-2015

Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications

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This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate R MICHAEL WRIGHT
District/Agency LOS OSOS COMMUNITY SERVICES DISTRICT
Work Address 2122 9th STREET, LOS OSOS CA 93402
Work Phone 805-528-9370 Home Phone 805-234-4513

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

WITH 38 YEARS EXPERIENCE IN THE INSURANCE FIELD, I BELIEVE I HOLD THE SKILL SET THAT WILL BENEFIT THE OPERATIONS OF THE SDRMA. I HAVE OWNED AND OPERATED MY OWN INSURANCE AGENCY SUCCESSFULLY AND HAVE SOLD AND SERVICED ALL LINE OF INSURANCE INCLUDING COMMERCIAL AND WORK COMP.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I AM CURRENTLY THE PRESIDENT OF THE LOS OSOS CSD I WAS VICE PRESIDENT THE YEAR BEFORE BEING ON THE LOCSD BOARD, I WAS A MEMBER OF THE LOS OSOS CSD EMERGENCY SERVICES COMMITTEE FOR SIX YEARS.

Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

LICENSED PROPERTY CASUALTY INSURANCE AGENT SINCE 1977. OVER 750 HOURS OF INSURANCE CONTINUING EDUCATION
I ALSO HALD A 6 AND 63 SECURITIES LICENSE.

What is your overall vision for SDRMA? (Response Required)

THE OVERALL VISION OF THE SDRMA IS TO PROVIDE THE BEST POSSIBLE COVERAGE AND SERVICE TO ITS MEMBERS AND TO ADD EDUCATE THEIR MEMBERS TO ALERT THEM TO COST EFFECTIVE SAFETY PROGRAMS TO SAFE GUARD THEIR EMPLOYEES HEALTH AND WELFARE

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature R Michael Wright Date April 20, 2015

Special District Risk Management Authority
Board of Directors
Candidates' State of Qualifications

This Information will be distributed to the membership with the ballot, "exactly as submitted' by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA

Nominee/Candidate: Sandy Seifert-Raffelson
District/Agency: Herlong Public Utility District
Work Address: 447-855 Plumas St, P O Box 515, Herlong CA 96113
Work Phone: (530) 827-3150 Home Phone: (530) 254-0234

Why do you want to serve on the SDRMA Board of Directors?

I am a current Board member of SDRMA and feel that I have added my financial background to make better informed decisions for our members. As a Board member, I have learned a lot about insurance issues and look forward to representing small District's and Northern California as a voice on the SDRMA Board. I feel I am an asset to the Board with my degree in business and my 29 years' experience in accounting and auditing. I have audited small districts and know what they need and what they can afford.

I understand the challenges that small District face every day when it comes to managing liability insurance and worker's compensation for a few employees with limited revenues and staff. My education and experience gives me an appreciation of the importance of risk management services and programs, especially for smaller district's that lack expertise with insurance issues on a daily basis.

I feel I am an asset to this Board and would love a chance to stay on the Board for 4 more years.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I have worked as the District Clerk for the Herlong PUD for the last 7 years. Before that, I served as the Secretary to the Board of Herlong Utilities, Inc. and Office Administrator. I worked directly with the formation of our District which included working for 2 separate Board's of Directors and the transfer of assets from a public benefit corporation to a special district. As part of the team that worked to form the District I was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the District's initial Board of Directors as well as the transfer of multiple permits and closure procedures from multiple agencies for the seamless transition of our District operations. I closed out the Corporation books and established the books for the District transitioning to fund accounting. I have also administered the financial portion of a large capital improvement project with USDA as well as worked on the first ever successful water utility privatization project with the US Army and Department of Defense. I am currently working on HPUD's 2nd loan/grant for 4.8 million with USDA to improve the community's sewer system. I also am the primary administrator of a federal contract for utility services with the Federal Bureau of Prison.

While on the SDRMA Board, I have served on the nomination committee and SDLF Board. I have enjoyed learning and completing my duties on both boards and feel I have been an asset to both. I have served on CSDA's Audit and Financial Committee's for the last 2 years. In the last 20 years I have served on several Boards including school, church, 4-H, County and U.C. Davis.

Special District Risk Management Authority
Board of Directors
Candidates' State of Qualifications

What special skills, talents, or experience (including volunteer experience) do you have?

I have my Bachelors Degree in Business with a minor in Sociology. I have audited Small Districts for 5 years, worked for a Small District for 10 years and have 25 years of accounting experience. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committees. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage Incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minuim and reward those with no losses.

I have completed my Certificate for Special District Board Secretary/Clerk Program in both regular and advance coursework through CSDA and co-sponsored by SDRMA. I have completed the CSDA Special District Leadership Academy and Special District Governance Academy. I have helped my small District obtain their District of Transparency and currently we are working on the District of Distinction.

I work for a District in Northeastern California that has under gone major changes from a Cooperative Company to a 501c12 Corporation, to finally a Public Utility District. I have worked with LAFCo to become a District. Also my District is currently working on a consolidation through LAFCo with another small District to better serve our small community. Through past experience I feel I make a great Board member representing the small districts of Northern California and their unique issues and will make decisions that would help all rural/small districts.

What is your overall vision for SDRMA?

For SDRMA to be at the top of the risk management field and have all of the Special Districts in the State utilizing their quality insurance and support at a price all California Special Districts can afford.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature: Sandy Seifert-Raffelson **Date:** 4/2/15

Information Items
Agenda Item: 5.1

Date: July 20, 2015

Subject: District Reports

Staff Contact: Mary Henrici, General Manager

1. DISTRICT ACTIVITY REPORT

a. General Manager's Report
b. Operations Report
c. Conservation Report

Manager's Report

June 11, 2015 thru July 14, 2015

I attended the monthly SAWWA meeting. The speaker was Steve Meyer of the US Air Force. He made a presentation on their cleanup efforts through the years. He also discussed Chromium 6 and the fact they feel this is not a component that had left the base. There were several questions from people in the room regarding the cleanup efforts. I asked about the prohibition zone and asked why there has been no cleanup effort in this area. I also asked if they had done any monitoring in that area recently to see if the TCE had left the area so the people could possibly use their water again. He said that there has been no recent testing in that area.

I attended the SGA meeting. A Groundwater Management Program update was presented. They approved the budget for the new fiscal year. They also determined that they would pay PERS 44% ($99,000) of their unfunded liability for their pension.

Later on that day, the committee which I was appointed to evaluated the Executive Director of SGA/RWA. We did an initial evaluation the final results are being compiled and the group will meet one more time before the evaluation is presented to the Executive Director.

The well 7 pump has been pulled. 190 gallons of oil were removed from the pump casing. The pedestal has been repaired and the pump has been reinstalled with a water seal replacing the oil seal that was originally in place.

The Front Street main line intertie project has been completed.

The District conserved 39% in the month of May compared to May of 2013.

I attended the Water Forum Dry Year Conference #3. We discussed the current and projected levels of Folsom Lake, the projections of how the current water levels will affect the fish in the rivers over the summer, and the fact that they are starting to build a barge in order for water suppliers to receive water once the lake goes to "DEAD POOL". The barge will pump water into the outtake structures at the dam in order for people to receive water if needed.

I attended the Sac Suburban/San Juan Water District 2X2 meeting. A phase 2A report was presented to the joint Board for approval. The Sac Suburban Board voted to pay the consultant but not accept his report as it was felt the report was biased. The San Juan Board voted to accept the report. Neither Board voted to move forward with the next step of the consolidation process which would have include more in depth study of consolidated operations, human resources, finances, etc. It was felt by the Sac Suburban Board that more discussions needed to take place with the San Juan family (Orangevale, Fair Oaks and Citrus Heights) before they go any further with the consolidation evaluation.

The Elverta Specific Group met and went over the current status of the project. It was determined the Water Supply Assessment cannot be completed until the Sacramento County Planning Department determines what they need from the developer to comply with PF8.

The Sacramento River Diversion branding group has met twice. We have come up with two different brands for the project. There will be another meeting to complete this work in early August. The

Sacramento River Diversion group also met. West Yost provided the information they have accumulated to date to the group. Edits on individual agencies requirements are needed and a draft report will be out in mid-August. The final report should be at Board level in September. Grant funding of the next phase of the project was discussed. PCWA and RWA are both looking to obtain planning money for the project.

The well 12 pump had to be custom built due to our pumping requirements. It is due to be placed back in service by the end of July.

The water caucus of the Water forum met and discussed the State's most recent curtailment and temperature orders. It was noted that several water contractors have filed suit against the State Board regarding diverting the natural flow of the rivers. The status of the flow standard update was discussed in great detail.

The Regional Water Authority met and a presentation was made by the water efficiency group on a request for additional funds to continue outreach to the public for conservation efforts. An update was presented on the Integrated Regional Water Management Plan. RWA is requesting $400,000 for chromium treatment on well 10 on our behalf and $39,000 for the software on our AMI system in their current grant application. I have been told RWA will be requesting additional funding for us for a new well when the Prop 1 funds become available later this year. All of these monies if received are grant funds. The trailer bills approved with the State budget were also discussed.

A Town Hall Meeting was held by the District staff on July 10, 2015. The District contacted the 1500 residents that have email addresses in our system and informed them of the meeting. Approximately 15 members of the public attended. There were many questions regarding Chromium 6 and the actions the District plans to take to comply with the new State Maximum Contaminant Level of 10 ppb.

President Anderson and I attended the Summit on Water Technology & California Drought. There were several vendors at the Summit providing information on their technology. It was determined that the District is already taking advantage of the technology available to us through the AMI program and Variable Frequency Drive units the District is installing on all pump rehabilitations. Desalinization and recycled water are not available in our region.

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0007
(916) 319-2007
FAX (916) 319-2107

DISTRICT OFFICE
915 L STREET, SUITE 110
SACRAMENTO, CA 95814
(916) 324-4676
FAX (916) 327-3338

Assembly
California Legislature

KEVIN McCARTY
ASSEMBLYMEMBER, SEVENTH DISTRICT

COMMITTEES
CHAIR: BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE
BUDGET
EDUCATION
ENVIRONMENTAL SAFETY AND TOXIC MATERIALS
LABOR AND EMPLOYMENT
NATURAL RESOURCES

JOINT COMMITTEE
JOINT COMMITTEE ON FAIRS, ALLOCATION AND CLASSIFICATION

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June 30th, 2015

Chair Felicia Marcus
California State Water Resources Board
1001 I St, Sacramento, CA 95814

Administrator Gina McCarthy
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Chair Marcus and Administrator McCarthy:

I am writing to express my strong concern for the health and safety of my constituents who receive their water from the Rio Linda / Elverta Community Water District. In light of the recent discovery of dangerous levels of chromium-6 in wells near the former McClellan Air Force Base, as described in a June 21st Sacramento Bee article titled "Groundwater search turns up high carcinogen readings near McClellan." Chromium-6 is a known carcinogen and exposure may result in serious health effects such as liver and kidney failure.

The Rio Linda / Elverta Community Water District is a small public water district serving approximately 4,600 customers in the Rio Linda and Elverta communities of Sacramento. This is a working class neighborhood with a high percentage of households earning below the poverty line. Removing chromium-6 from the water supply requires significant capital investments and would place a heavy burden on this small water district and its working class ratepayers.

I respectfully request that all appropriate action is taken to ensure the health and safety of Rio Linda and Elverta residents. Furthermore, I am requesting that an investigation is launched to determine the cause of the elevated levels of chromium-6 in the groundwater located adjacent to the former McClellan Air Force Base and necessary action is taken to ensure that the residents of Rio Linda and Elverta have access to affordable and clean water.

Thank you for your attention to this matter and I look forward to your response.

Please feel free to contact Alex Harold at (916) 319-2007 should you have any questions regarding this inquiry.

Sincerely,

Kevin McCarty
Assemblymember, 7th District

KM:ah

Cc: Congresswoman Doris Matsui, 6th District
Senator Dr. Richard Pan, 6th District
Supervisor Phil Serna, 1st District
President Duane Anderson, Rio Linda Eleverta Community Water District Board

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RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

P.O. BOX 400 • 730 L STREET
RIO LINDA, CALIFORNIA 95673
Phone: (916) 991-1000 • Fax: (916) 991-6616
www.rlecwd.com

July 6, 2015

Assemblymember Kevin Mc Carty
P.O. Box 942849
Sacramento, Ca. 94249-0007

Re: Hexavalent Chromium in Rio Linda.

Honorable Assemblymember Mc Carty,

The Board of Directors of the Rio Linda/Elverta Community Water District wishes to say thank you on behalf of the citizens of our community for your letter to the State Water Resources Control Board and EPA on our behalf. We are currently trying to determine the source of the hexavalent chromium in our water supply. These investigations can be very costly and time consuming. The District truly appreciates your personal request to the agencies which regulate these matters to help with our investigation.

Sincerely,

Duane Anderson
President

Mary Henrici
District Manager

DIRECTORS:
Duane Anderson, President
John Ridilla, Vice President
Brent Dills, Director
Paul Green, Director
Mary Harris, Director

General Manager / Secretary:
Mary Henrici
MHenrici@rlecwd.com

RIO LINDA/ELVERTA C.W.D. 2015
REPORT OF DISTRICT OPERATIONS

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SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	
36.5	34.1	42	50.5	64.8	80.8	
36,479,536	34,130,442	42,007,355	50,531,436	64,784,366	80,759,795	
July	August	Sept.	Oct.	Nov.	Dec.	
						308.70

Gallons =	Multiply M.G. by:	1,000,000	80,759,795	Gallons	308,692,930
Cubic Feet =	Divide gallons by:	7.48	10,796,764	Cubic Feet	41,269,108
Hundred Cu Ft. =	Divide cu. ft. by:	100	107,968	Hundred Cubic Feet	412,691
Acre Ft.=	Divide gallons by:	325,829	247.86	Acre Ft.	947

DISTRIBUTION SYSTEM DATA

Water Quality Complaints **Complaints Total (Low Psi Complaints)**

January	February	March	April	May	June	
3 (2)	3 (1)	2 (2)	0	2 (0)	3 (3)	
July	August	Sept.	Oct.	Nov.	Dec.	
						13

New Services

New Construction	0	2
Existing Homes	0	1
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ---------->		4620

Distribution System Failures

Deterioration June 1 thru 30	11	39
Damaged June 1 thru 30	4	7

Bacteriological Sampling

Routine	20	104
Raw Water Well Samples	11	22

June 1, 2015 - June 30, 2015

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

Work Orders Issued - 148	Work Orders Completed - 164	USA's Issued - 52
Water Wise Audit - 9	Water Wise Audit - 9	
Conservation - 3	Change Out Meter - 5	
Disconnect Service - 1	Conservation - 10	
Meter Downsize Request - 2	Disconnect Service - 1	
Flow Test -1	Meter Downsize Request - 1	
Get Current Read - 33	Flow Test - 1	
Line Leak - 6	Get Current Read - 37	
Other Work - 4	Line Leak - 5	
Possible Leak - 14	Other Work - 5	
Pressure Complaint - 3	Possible Leak - 12	
Repair - 3	Pressure Complaint - 3	
Tag Property - 17	Raise Existing Service - 1	
Turn Off Service - 3	Repair - 2	
Turn On Service - 1	Tag Property - 17	
Water Waster - 48	Turn Off Service - 3	
	Turn On Service - 1	
	Usage Complaint - 1	
	Water Waster - 50	

RIO LINDA/ELVERTA C.W.D.

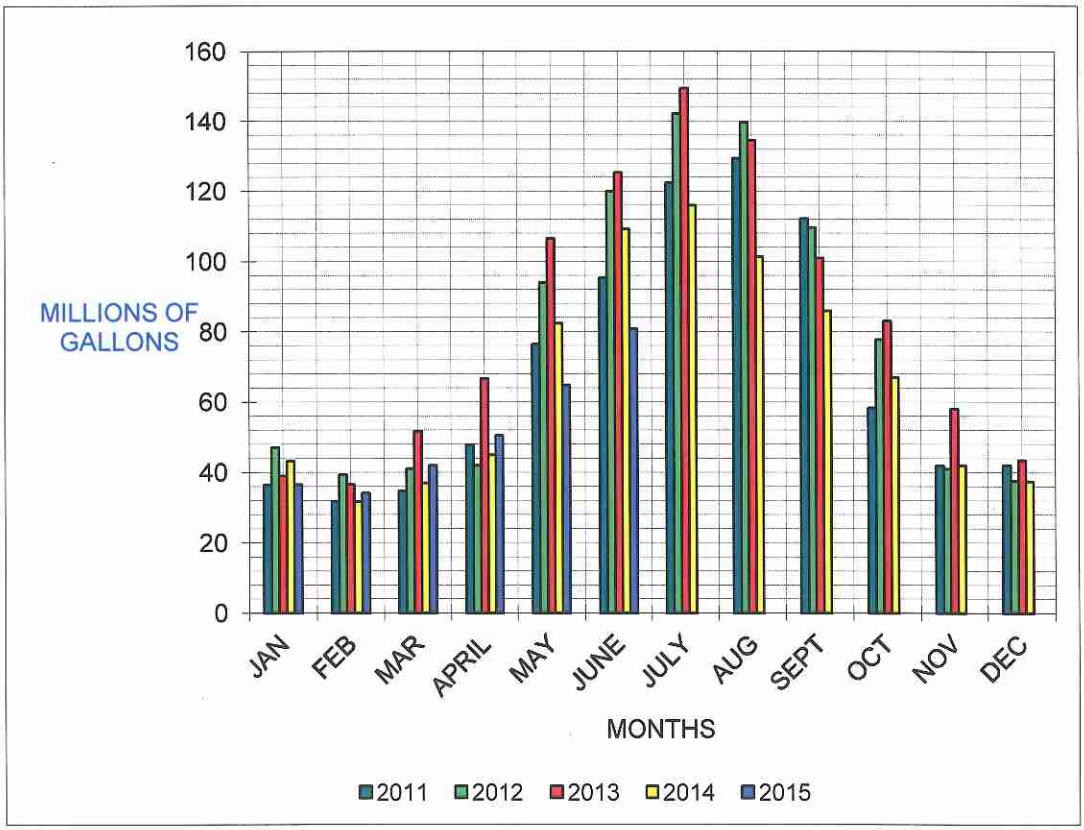
WATER PRODUCTION

2011 \ 2015

Water Production in Million Gallons

SSWD Water Purchases

Month	2011	2012	2013	2014	2015	Avg.	2011	2012	2013	2014	2015
JAN	36.4	47	39	43.2	36.5	40.42	0	0.009	0	0	0
FEB	31.8	39.3	36.5	31.6	34.1	34.66	0	0	0	0	0
MAR	34.7	41.1	51.7	37	42	41.30	0	0.002	0	0	0
APRIL	47.8	42	66.6	45	50.5	50.38	0	0	0	0	0
MAY	76.4	94	106.5	82.4	64.8	84.82	0.019	0.01	0	0	0
JUNE	95.3	120	125.3	109.2	80.8	106.12	0.71	0.12	0.002	2.8	0
JULY	122.4	142.2	149.4	116		132.50	0.025	0.26	0	0	
AUG	129.4	139.7	134.5	101.3		126.23	0.012	0.3	0	0	
SEPT	112.2	109.7	101	85.9		102.20	0.003	7.6	0.01	0	
OCT	58.4	77.8	83	67		71.55	0.001	0	0	0	
NOV	41.9	41	58	42		45.73	0	0	0	0	
DEC	42	37.5	43.4	37.4		40.08	0	0	0	0	
TOTAL	828.7	931.3	994.9	798	308.7	888.225	0.77	8.301	0.012	2.8	0



Conservation Report
JUNE 2015

Supplies:	Shower heads (8), Kitchen Aerators (23) Bathroom Aerators (66) Nozzle (1) Timer (1)
Water Waste (calls, emails, letter, leaks detected/fixed):	50 water waste, leaks found during meter reads (all get letters, phone calls) 10 Conservation possible leaks/low flow movement during meter reads. Investigated and determined usage was customers have increased water usage, or using water when we read the meter. NO fines
Water Schedule:	95 (cust. calling or asking in the office) also given to customer with all violation letters and new applications
Surveys:	9
Rebates:	**Toilets: 2** **Washing Machines: 1**
Workshops, Webinars, Meetings:	• Met with Ewing Irrigation Rep to help Park Dist with a couple of their locations. • Had a turnout of 20 people at the 1st GreyWater workshop. Very good feedback. • Completed a water survey for UCSB on water management • Webinar on BMP 1.4, Plenary/landscape messaging, $2k outdoor water Grant, Efficient landscape ordinance
Other Tasks:	• Sent the Top 50 users and Commercial, Industrial and Institution letters requesting a reduction plan to meet the 25% goal for these accounts. Over 200 letters sent. Received 54 plans. • Working closely with the Parks, Schools, and some of the Churches. • Letters to those who came to the 1st Town Hall meeting to speak to groups/clubs
	• Worked on website, facebook to add additional Conservation news, Organized Storage for Conservation material. Gathered material for surveys. Billing, customer service • Working on ordering supplies for Conservation, yard signs.
Grant Updates:	• Approved for $2k sponsorship from DWR for upcoming workshops • August 22 Irrigation Workshop with Ecolandscape; FREE to customers paid by sponsorship • Have applied for Prop 84 grant for Irrigation efficiencies • Applied for Prop 84 grant for AMI software • Direct Install Grant (multi-family units) 47 toilets were installed last year. We did not pay for any of the installs. Estimated savings 10,857 gallons per yr per toilet. 510,279 gallons/yr for 47 toilets. 27 showerheads installed, 23 bathroom aerators installed, 7 angle stop replacements

Information Items
Agenda Item: 5.2

Date: July 20, 2015

Subject: Board Reports

Staff Contact: Mary Henrici, General Manager

2. BOARD REPORTS

a. Regional Water Authority – Dills, Henrici
b. Sacramento Groundwater Authority – Green, Harris
c. LAFCO - Green
d. Planning Committee –Dills, Harris
e. Finance / Administrative Committee – Ridilla, Anderson
f. Other Reports

REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, July 9, 2015; 9:00 a.m.

5620 Birdcage Street, Suite 110
Citrus Heights, CA 95610
(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or 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 a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. 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 Executive Director of the Authority at (916) 967-7692. 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 AND ROLL CALL**

2. **PUBLIC COMMENT**

3. **CONSENT CALENDAR**
   Minutes of the May 14, 2015 full board meeting.
   Action: Approve Consent Calendar Items.

4. **EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
   Information: Final minutes of the April 29, 2015 Executive Committee meeting and draft minutes from the June 24, 2015 Executive Committee meeting.

5. **WATER EFFICIENCY PUBLIC OUTREACH**
   Information and Discussion: Amy Talbot, Associate Project Manager.

6. **2015 DEPARTMENT OF WATER RESOURCES INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT PROGRAM**
   Presentation: Rob Swartz, Manager of Technical Services.
   Action: Adopt Resolution 2015-02 authorizing Executive Director to submit application for funding 2015 Department of Water Resources Integrated Regional Water Management Implementation Grant Program.

7. **EXECUTIVE DIRECTOR'S REPORT**
   a. Government Affairs Update
   b. Groundwater Sustainability Report
   c. Grants Update
   d. Drought Update
   e. RWA Outreach
   f. Financial Reports

8. **CLOSED SESSION UNDER GOVERNMENT CODE SECTIONS 54954.5(C) AND 54956.9(D) – UPDATE ON CALPERS CONTINUED OBLIGATION TO PROVIDE PENSION BENEFITS TO RWA EMPLOYEES**

9. **DIRECTORS' COMMENTS**

10. **ADJOURNMENT**

Upcoming meetings:
Next Executive Committee Meetings – Wednesday, July 22, 2015, and Wednesday, August 26, 2015, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meeting – Thursday, September 10, 2015, 9:00 a.m., at the RWA Office.

JULY 9, 2015

TO: REGIONAL WATER AUTHORITY BOARD OF DIRECTORS

FROM: JOHN WOODLING

RE: EXECUTIVE DIRECTOR'S REPORT

a) **Government Affairs Update** – The RWA Board will hold a workshop on legislative and regulatory issues on July 9, from 7:45 – 8:45, immediately prior to the board meeting.

The Legislature passed and Governor Brown signed the fiscal year 2015-16 State budget. The budget contains $1.7 billion identified as emergency drought response, as shown below.

Figure RES-01
Emergency Drought Response
(Dollars in Millions)

Investment Category	*Department*	*Program*	*2015 Budget Act*	*Fund Source*
Protecting and Expanding Local Water Supplies	Water Board	Groundwater Contamination	$783.4	Proposition 1
	Water Board	Water Recycling	$210.7	Proposition 1
	Water Board	Safe Drinking Water in Disadvantaged Communities	$175.3	Proposition 1
	Water Board	Wastewater Treatment Projects	$158.4	Proposition 1
	Water Board	Stormwater Management	$101.0	Proposition 1
	Department of Water Resources	Groundwater Sustainability	$60.0	Proposition 1
	Department of Water Resources	Desalination Projects	$50.0	Proposition 1
Water Conservation	Department of Water Resources	Urban Water Conservation	$54.0	Proposition 1/ General Fund
	Department of Water Resources	Agricultural Water Conservation	$35.0	Proposition 1
	Department of Water Resources	Make Water Conservation a Way of Life	$13.0	Proposition 1
	Department of General Services	Water Conservation at State Facilities	$15.4	General Fund/ Special Funds
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	$66.8	General Fund/ Special Funds
	Office of Emergency Services	California Disaster Assistance Act	$22.2	General Fund
	Department of Water Resources	Removal of Emergency Salinity Barriers in the Delta	$11.0	General Fund
	Department of Community Services and Development	Farmworker Assistance	$7.5	General Fund
	Department of Housing and Community Development	Rental Relocation Assistance	$6.0	General Fund
	Water Board	Executive Order Implementation	$1.4	General Fund
Total			**$1,771**	

Sacramento Region agencies are implementing programs and outreach to achieve compliance with the water conservation requirements imposed by the SWRCB's emergency regulations. Agency requirements range from 20% to 36% reductions compared to 2013. In May, the region as a whole reduced water use by 40% compared to 2013.

e) **RWA Outreach** – Mr. Woodling was a speaker at a water conference sponsored by the Jewish Federation of Sacramento on June 11, the goal of which was to create communication between California and Israeli water experts. Mr. Woodling spoke on a panel to the Sacramento Valley Division of the Association of City Managers. Rob Swartz gave a presentation on groundwater management using a joint powers authority to a Groundwater Resources Association of California conference held in Sacramento on June 2.

f) **Financial Reports** – The financial reports ending May 31, 2015 are attached.

Regional Water Authority
Building Alliances in Northern California

5620 Birdcage Street
Suite 180
Citrus Heights, CA 95610

Tel: (916) 967-7692
Fax: (916) 967-7322
www.rwah2o.org

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July 1, 2015

RWA

Debra Sedwick, Chair
Spencer Short, Vice Chair

Members

California American Water
Carmichael Water District
Citrus Heights Water District
Del Paso Manor Water District
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Folsom, City of
Golden State Water Company
Lincoln, City of
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community Services District
Roseville, City of
Rio Linda / Elverta Community Water District
Sacramento, City of
Sacramento County Water Agency
Sacramento Suburban Water District
San Juan Water District
West Sacramento, City of
Woodland-Davis Clean Water Agency
Yuba City, City of

Associates

El Dorado County Water Agency
Sacramento Area Flood Control Agency
Sacramento Municipal Utility District
Sacramento Regional County Sanitation District

Mary Henrici
Rio Linda/Elverta CSD
730 L Street
Rio Linda, CA 95673

Dear Ms. Henrici:

The Regional Water Authority (RWA) is pleased to invite the Rio Linda/Elverta CSD to continue its participation in the Water Efficiency Program (WEP) for fiscal year (FY) 2016. Enclosed is the FY 2016 invoice and Business Plan adopted by the WEP Advisory Committee on April 21, 2015. Participant fees for FY 2016 are the same as FY 2015.

The WEP provides a cost-effective approach to help achieve water savings targets and BMP requirements through economies of scale. With the passage of Senate Bill (SB) X7-7 in 2009, the need for a coordinated regional effort is greater than ever as water savings requirements have increased. In addition to assisting with water saving programs, the FY 2016 WEP services and products satisfy several BMP requirements of the Water Forum, the Bureau of Reclamation Central Valley Project Improvement Act, and the California Urban Water Conservation Council (CUWCC) MOU.

Throughout FY 2015, the WEP was successful in assisting participants with meeting Best Management Practice (BMP) commitments, securing and managing grants, and developing important regional drought messaging. The WEP Program served as a regional forum for discussing and responding to issues, such as the CUWCC's BMP 1.4 and the State Water Resources Control Board's conservation activities.

As we enter into FY 2016, the WEP Program will focus on developing a comprehensive regional data collection framework to better understand our region's water supply and track progress toward meeting SB X7-7 targets. Additionally we will explore whether regional compliance with the SB X7-7 requirements is beneficial to RWA members. We will continue to develop and promote consistent regional messages aimed at customers to use water efficiently. RWA will also continue to manage the current Proposition 84, Water Energy, and CALFED grant projects and will seek out new grant opportunities to continue to support your agency's water efficiency efforts.

Sincerely,

John K. Woodling
Executive Director

Enclosures

Regional Water Authority
Building Alliances in Northern California

5620 Birdcage Street
Suite 180
Citrus Heights, CA 95610

Tel: (916) 967-7692
Fax: (916) 967-7322
www.rwah2o.org

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RWA

July 1, 2015

Deb Sedwick, Chair
Spencer Short, Vice Chair

Members

California American Water
Carmichael Water District
Citrus Heights Water District
Del Paso Manor Water District
El Dorado Irrigation District
Elk Grove Water District
Fair Oaks Water District
Folsom, City of
Golden State Water Company
Lincoln, City of
Orange Vale Water Company
Placer County Water Agency
Rancho Murieta Community Services District
Roseville, City of
Rio Linda / Elverta Community Water District
Sacramento, City of
Sacramento County Water Agency
Sacramento Suburban Water District
San Juan Water District
West Sacramento, City of
Woodland-Davis Clean Water Agency
Yuba City, City of

Associates

El Dorado County Water Agency
Sacramento Municipal Utility District
Sacramento Regional County Sanitation District
Sacramento Area Flood Control Agency

Mary Henrici
Rio Linda/Elverta Community Water District
730 L Street
Rio Linda, CA 95673-3496

Dear Ms. Henrici:

I want to thank you for your continued participation in the Regional Water Authority (RWA). The past year has seen significant successes on a number of important regional initiatives. RWA's ability to help members plan and implement water management projects and programs within the region continues to grow, and our regional voice on statewide issues is gaining influence.

In 2013, RWA adopted a Strategic Plan to guide us for the next five years. A stronger, more effective role in protecting the region's interests on statewide issues was one of the highest priorities identified. Our fiscal year 2015-16 budget and work plan will allow us to increase our efforts to evaluate and respond to the impacts of legislative and regulatory actions and work to protect and improve water supply reliability for the region to meet both human and environmental needs.

In regional planning, we were successful in acquiring a grant of nearly $10 million to help the region respond to current drought conditions. The California Department of Water Resources recently approved our Integrated Regional Water Management Plan, which will position our region well to begin pursuing funding from Proposition 1 in the upcoming fiscal year.

Throughout FY 2015, the Water Efficiency Program (WEP) was successful in assisting participants with meeting Best Management Practice (BMP) commitments, securing and managing over $3 million in grants, and developing important regional messaging to address the unprecedented drought conditions. Regional data collection, analysis and reporting, along with a robust public relations campaign, resulted in positive media attention for RWA members' water conservation efforts in response to the drought.

RWA added a new member and an associate member over the last year, which expands the geographic breadth and influence of RWA. In addition, the Board approved creation of an affiliate class of membership, which will improve our ability to communicate with others who have an interest in regional water issues.

The RWA Board of Directors, at its May 14, 2015 meeting, approved the fiscal year 2015-2016 budget and dues schedule. Attached is your agency's invoice for the year. Please note that the contribution to our partnership with the Powerhouse Science Center, approved by the Board in 2014, is reflected as a separate line item.

Please call me at (916) 967-7692 if you have any questions.

Sincerely,

John Woodling
Executive Director

Attachment

SGA
Sacramento Groundwater Authority
Managing Groundwater Resources in Northern Sacramento County

5620 Birdcage Street, Suite 180
Citrus Heights, CA 95610
Tel: (916) 967-7692
Fax: (916) 967-7322
www.sgah2o.org

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July 1, 2015

Mary Henrici
Rio Linda/Elverta Community Water District
730 L Street
Rio Linda, CA 95673-3496

Dear Ms. Henrici:

Thank you for your continued support of the Sacramento Groundwater Authority (SGA).

Through your support and participation in SGA, we are able to fully satisfy the Groundwater Management Element of the Water Forum Agreement in northern Sacramento County, allowing us to expand our water supply reliability while protecting the lower American River. Our strong groundwater management program has also enabled the region to receive tens of millions of dollars in grant funding to construct regional water supply facilities. SGA has implemented a monitoring program and data management system that will help to ensure effective management and local control of groundwater resources. The improvements in groundwater basin conditions that have occurred since SGA's creation in 1998 are critical to operating the groundwater basin sustainably during the ongoing drought conditions.

With the passage of the Sustainable Groundwater Management Act (SGMA) this past year, the voluntary, local approach developed by SGA continues to receive a lot of positive attention. Our record of success will be important to ensuring any new groundwater management requirements create a benefit, rather than a burden, for our region.

Among the highlights of the previous year, we:

- maintained a strong presence with state agencies responsible for developing guidelines and regulations for the SGMA to ensure SGA's interests are properly represented,
- continued monitoring to satisfy California Statewide Groundwater Elevation Monitoring (CASGEM) program requirements,
- continued increased groundwater elevation monitoring in response to drought conditions,
- completed a comprehensive update of the SGA Groundwater Management Plan (GMP),
- continued tracking the SGA Water Accounting Framework,
- continued an evaluation of a regional groundwater contamination problem in northern Sacramento County funded through a grant from the Local Groundwater Assistance (LGA) Program, and

California American Water
Carmichael Water District
Citrus Heights Water District
City of Folsom
City of Sacramento
County of Sacramento
Del Paso Manor Water District
Fair Oaks Water District
Golden State Water Company
Natomas Central Mutual Water Company
Orange Vale Water Company
Rio Linda / Elverta Community Water District
Sacramento Suburban Water District
San Juan Water District
Agricultural and Self-Supplied Representative

- began an assessment of the occurrence of elevated hexavalent chromium in a large portion of northern Sacramento County.

In the upcoming year, SGA will take the initial steps toward compliance with the SGMA, complete the LGA-funded contaminant study; continue evaluating hexavalent chromium contamination; continue our leadership in providing input to the development of guidelines and regulations for SGMA implementation; and continue CASGEM and drought monitoring.

The SGA Board, at its June 11, 2015 meeting, approved the fiscal year 2015-2016 budget and fee structure. Attached is your agency's invoice for the year.

Please call me at (916) 967-7692 if you have any questions.

Sincerely,

John Woodling
Executive Director

Attachment

Rio Linda/Elverta Community Water District

Planning Committee Meeting

July 6, 2015

Meeting called to order at 6:02 pm by Chairman Dills

Present: Directors Dills and Harris, GM Henrici and District Engineer Jim Carson.

Public Present: Jerry Leidecker, Mark Palmer.

Public Comment: Jerry Leidecker had questions about when to water (time and days), Chromium 6 and where it is coming from and the public health hazards presented by it. He said he would like to form a community group to get the Chromium 6 issues addressed by Superfund.

Items for Discussion and Action

Item 1) **Water Supply Strategic Plan Update:** --Discussion only—

District Engineer Jim Carson explained what his plan is. The plan addresses the Chromium 6 issues. The plan is spread out over the next 5 fiscal years. The District is seeking appropriate funding levels to support the 5 year plan in a rate study that is being performed.

Item 2) **Well 10—Pilot Testing:**—Discussion only--Discussion.

A neighbor is using the water being discharged.

Item 3) **District Office Update:** -- Discussion only

A plan was provided and some discussion took place.

Item 4) **Labor Compliance RFQ:** --Action Item—Discussion.

Mr. Carson summarized what the new law is. Action item is for the District Engineer to move forward with finding a qualified labor compliance consultant by putting out an RFQ.

Item 5) **Adele Court Project:** --Action Item

Mr. Carson explained the high costs of bids for this small project. Action item is District will reject bids and re-solicit later with two other projects.

Item 6) **FY 14/15 Capital Project Schedule and Update:** --Discussion only

Status of projects updated. No action item.

Meeting adjourned at 7:05 pm.

July 13 2015, Finance and Administrative Committee Meeting Minutes

Committee Chair John Ridilla opened the meeting at 6:30 PM.

Attendees: Director Duane Anderson, Director John Ridilla, District General Manager Mary Henrici. Mark Palmer, member of the public attended.

Meeting was called to order at 6:30 PM.

Public Comment. There was no public comment.

Agenda Items

1. Review and discuss the Expenditures of the District for the month of June 2015.

- Two legal bills, since there was no legal bill last month.

- Water Customer overpayments were the result of clean up of accounts.

Committee Recommendation: Recommend approval to the full Board of Directors.

2. Review and discuss Financial Reports of the District for the month of June 2015.

- Partial agenda item, full accounting picture will be presented to the board next month

Committee Recommendation: Information only to the full Board of Directors.

3. Censure Policy Resolution

- Revisions based on advice from legal counsel. The 3 major actions were discussed. Penalties for censure can only consist of removal from a committee.

- suggest that members of the board acknowledge in writing receipt of the new policy manual.

- Committee Recommendation: Recommend approval to the full Board of Directors.

4. Records retention Policy

- General discussion that states policy is in accordance with California Law. The table with code abbreviations needs to be updated to reflect the meaning of A and S.

- The General Manager stated she is following this policy.

Committee Recommendation: Recommend approval to the full Board of Directors.

5. AMI System Purchase

- Lengthy discussion and review of the contract. General Manager Henrici answered most of Director Anderson's questions. She will take several comments and corrections back to legal. Several options were discussed and timing of when to bring this to the board.

Committee Recommendation: Recommend approval to the full Board of Directors.

6. Succession Planning

- Directors Anderson and Ridilla did not have an issue with the general timeline. It was suggested that a true succession planning document contain elements of what happens if the current GM leaves suddenly. General discussion centered around having the District Engineer act as the Interim GM until a qualified replacement can be found, as well as dividing up duties within the staff. General Manager Henrici was asked to create a list of tasks, a list of contacts and a timeline of general operations.

Committee Recommendation: Recommend approval to the full Board of Directors.

7. Manager evaluation

- It was determined that the evolution form would be used. Director Ridilla would make a few minor corrections so the General Manager can create her goals for the current year.

Committee Recommendation: No action required by the full Board of Directors.

8. Policy Manual

- The policy manual has been separated from the Personnel Items. Since the policy manual has been reviewed in previous meeting there was not a lengthy discussion.

Committee Recommendation: Recommend approval to the full Board of Directors.

9. Payment arrangements

- General Manager Henrici stated that there were a few customers who have abused our payment arrangement process. This revised policy limits the number of arrangements in a calendar year.

Committee Recommendation: Recommend approval to the full Board of Directors.

10. ACWA Candidate Nomination

- General discussion about the requirement to submit a nomination. The Finance Committee agreed with the staff recommendation.

Committee Recommendation: No action required by the full Board of Directors.

11. Adopt Regional Water Management Plan

- Approval is required for the District to apply for Grant funding.

Committee Recommendation: Recommend approval to the full Board of Directors.

Non Agenda Items

- The General Manager will place the amount needed to purchase the new truck, not the full budget amount into the vehicle replacement fund. Remaining funds will remain in the Capital Improvement account.

The meeting was adjourned at 8:07PM

Agenda Item: 6

Date: July 20, 2015

Subject: Public Comment for Closed Session

Staff Contact: Mary Henrici, 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

Date: July 20, 2015

Subject: Closed Session

Staff Contact: Mary Henrici, General Manager

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

    1. **Conference with General Counsel** - The Board will meet in closed session pursuant to Government Code Section 54956.9(d)(2) - significant exposure to potential litigation (2 potential cases)

    2. **Conference with Board of Directors -** The Board of Directors will meet in closed session pursuant to Government Code § 54957(b)(1) – to consider the appointment, employment, evaluation of performance, discipline, or dismissal of public employee, General Manager.

Agenda Item: 8

Date: July 20, 2015

Subject: Reconvene Open Session

Staff Contact: Mary Henrici, General Manager

The Board President will report on any actions taken in Closed Session.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Dills:____Green:____ Caron:____ Anderson:____Longo:____.

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

Agenda Item: 9

Date: July 20, 2015

Subject: Directors' and General Manager Comments

Staff Contact: Mary Henrici, General Manager

COMPLETED AND PENDING ITEMS FROM PAST MEETINGS 07-20-15

1. **Employee Performance Review Plan.** The plan was brought back to the Admin and Finance committee for final refinements and will be used for the next Manager evaluation. **COMPLETED.**

2. **California Bank and Trust Resolution.** Resolution was signed and returned to the bank after Board approval. **COMPLETED**

3. **AMI Meter Purchase.** The Financing company was notified of the Board's decision to finance the project through the operating fund. Financing paperwork was submitted to the finance committee for their review before Board approval at this meeting. **PENDING**

4. **July Planning meeting.** The July planning meeting wa rescheduled to July 8 at 6 p.m. due to the holiday. **COMPLETED**

5. **Arborist Report** The Board has determined that the tree near the District's new tank should be trimmed after construction is completed. This item will remain pending until construction is completed. **PENDING**