

**MINUTES OF THE
JANUARY 28, 2019
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

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

The January 28, 2019 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Depot/Visitor Center located at 6730 Front Street, Rio Linda, CA. General Manager Tim Shaw took roll call of the Board of Directors. Director Dills, Director Harris, Director , Director Ridilla, Director Green and General Manager Tim Shaw were present. Director Dills led the pledge of allegiance.

2. PUBLIC COMMENT

No public comment.

3. CONSENT CALENDAR

3.1 Minutes

December 17, 2018

3.2 Expenditures

3.3 Financial Reports

No public comment on this item.

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

4. REGULAR CALENDAR

ITEMS FOR DISCUSSION AND ACTION

4.1 GM Report

GM Shaw provided his written report to the Board.

No public comment on this item.

The Board made no action on this item

4.2 District Engineer's Report

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

No public comment on this item.

The Board made no action on this item

4.3 Consider approving fiscal year 2018-19 mid-year budget revisions

Preside Ridilla also mentioned to the Board the group health insurance and election budget line items were adjusted to the current projected costs and excess funds were reallocated to the Capital Budget.

The Finance/Admin Committee on January 14th discussed and directed tangible budget items. One such tangible budget item is the unspent 2015 AMI meter loan proceeds. The 2015 AMI meter loan from Holman Capital includes Terms and Conditions that were accepted by the Board. Among those terms are provisions that stipulate the Board must spend the loan proceeds within 3-years (terminating in 2018) and further stipulate that Holman Capital must approve the District requested uses of the proceeds for specified capital improvements.

In June of 2018, the Board following substantial consideration by the Finance/Admin Committee, approved partial allocation of the unspent 2015 AMI loan proceeds. The unspent proceeds were then approximately \$93,000. The Board authorized a portion of the \$93,000 for a new multi-function office printer and a share of the cost for new CUSI billing software. In June 2018, the Finance/Admin Committee recommended, and the Board agreed to preserve the remaining balance for funding water customer consumption software if the new billing software Customer Web Portal did not provide sufficient performance to obviate the need for additional consumption software. Holman Capital was informed and approved our loan proceed allocation and further approve the District's justification for extending the 3-year limit for allocating the unspent loan proceeds.

The new CUSI billing software and associated Customer Web Portal are online and have been confirmed to obviate the need for further customer consumption presentment software. Accordingly, the Board must now allocate the remaining balance of unspent AMI loan proceeds. Such Board authorized allocation must then meet the approval of Holman Capital. The January 14th Finance/Admin Committee had a somewhat divisive discussion on the next, best steps. The Finance/Admin Committee directions were incorporated into one of the options (Option 2) of the capital budget. However, upon further analysis, the Committee direction and corresponding capital budget Option 2 does not meet the above described objectives and terms for the AMI loan restrictions. Option 2 allocates \$10,000 to replace the existing donated analog phone system with a digital voice over internet protocol (VOIP) phone system and place the remaining \$48,000 into the vehicle replacement fund for a future (unspecified date) vehicle(s) purchase. Staff reasonably believes that Option 2 will not receive approval by Holman Capital and does not comply with the restrictions of the municipal loan terms.

Capital budget revision Option 1 was prepared in response to the above described short-comings of Option 2. Clearly, the AMI meter loan terms places restrictions on allocation of unspent loan proceeds and further charges interest on the proceeds even though they remain unspent. Last June, when the Board authorized and Holman approved partial funding of the CUSI billing software, the remaining funding for the billing software was to come from capacity fees. Option 1 revises that approach. Option 1 in the capital budget designates the billing software cost share originally funded by capacity fees to be fully funded by AMI meter loan proceeds. This restores available funds in the capacity fees account, which is relatively less restrictive on the timing requirements for allocation. The AMI loan proceeds, after fully funding the CUSI billing software, are then allocated to vehicle replacement (for a purchase now, not someday in the future) and new office equipment (e.g. new phone system). The numbers balance summary is (using round numbers):

Revenue	Spending
\$93,000	\$43,000 CUSI Billing software (purchased/ not yet fully paid)
	\$30,000 vehicle replacement
	\$10,000 Multi-Function Printer (purchased Aug 2018)
	\$10,000 Office Equipment (e.g. new phone system)

Total \$93,000 in revenue	Total \$93,000 in spending
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No public comment on this item.

It was moved by Director Dill and seconded by Director Green to approve Option 1 of the FY 2018-19 Mid-Year budget revisions. Directors Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous vote of 4-0-0.

4.4 Consider accepting the 1st reading of Ordinance No. 2019-01 - establishing an opt-out policy for inactive service fees and superseding Resolution 2013-08.

The Board is being asked to consider an Ordinance for an opting out policy/procedure with the inactive service fees established by Resolution 2013-08 in one government document, including a fixed amount cited as a “disconnection fee” for disconnecting the customers service line from the District’s water distribution main.

No public comment on this item.

It was moved by Director Dills and seconded by Director Green to approve the 1st reading of Ordinance No. 2019-01 Establishing an Opt-Out Policy for inactive service fee and superseding Resolution No. 2013-08. Directors Dills, Green, Harris and Ridilla voted yes. The motion carried with roll call vote of 4-0-0.

4.5 Consider approving a method for filling RLECWD Board Member Vacancy in accordance with Government Code §1780.

Director Mary Henrici resigned as Director of the RLECWD Board of Directors. Director Henrici’s letter of resignation stipulated an effective date of January 13, 2019.

California Government Code §1780 stipulates requirements for filling Board Member. The key elements of the requirements of Government Code 1780 the Board has 60-days from the effective date of vacancy to fill the position by appointment OR call for a special election. If the Board elects to fill the vacancy by appointment, and fails to comply with the stipulated time limits, the Sacramento County Board of Supervisors is empowered to fill the vacancy.

No public comment on this item.

It was moved by Director Dills and seconded by Director Harris to fill the RLECWD Board Member vacancy by appointment. Directors Dills, Green, Harris and Ridilla voted yes. The motion carried with a unanimous vote of 4-0-0.

4.6 Consider authorizing discontinuation of District paid credit/debit card convenience fees and directing staff on timing for transition.

The need to discontinue District payment of the convenience fee associated with customers who pay their bills with credit/debit cards has been discussed at several Finance/Admin Committee meetings spanning almost a year. The District should set a date when the District will no longer pay the convenience fees charged by the credit/debit card companies (in excess of \$20,000 per year, and provide notice of such to our customers who may have become accustomed to this practice and free (to them) service.

No public comment on this item.

It was moved by Director Dills and seconded by Director Ridilla to authorize the discontinuation of District paid credit/debit card convenience fees by (2) two billing cycles with a target date of June 1, 2019. Directors Dills, Harris, Green, and Ridilla voted yes. The motion carried with a unanimous vote of 4-0-0.

4.7 Consider authorizing minor revision to the District’s Travel Reimbursement Policy to provide for consideration of total cost for meals instead of just the food charge limit.

The Board is being asked to consider the revised policy.

Limitation on Reimbursable Expenses

(Sections 2.20.410 – 2.20.440 amended by Resolution 2003-05 adopted on July 21, 2003)

Reimbursement for travel related expenses shall be for actual costs subject to the following limitations:

Reimbursement for meals not covered as part of the event or hotel registration fee shall be limited the following amounts: Breakfast - \$12.00; Lunch - \$15.00; Dinner - \$25.00;

- Exception to the meal limits -The meal limits above may be exceeded if the total cost of the meal is documented to be the lowest total cost option under the circumstance. For example: A modest breakfast in a hotel hosting a training event may be a savings to the District compared to a meal within the spending limits plus the cost of a taxi cab or rental car to travel to and from the restaurant. Documentation and review to support the exception must be submitted.

Use of a personal vehicle: The current Internal Revenue Service (IRS) mileage rate for business travel shall be the only personal vehicle use expense eligible for reimbursement;

Air and train travel shall be in an amount not to exceed the standard or coach fare;

Entertainment or non-business related events or expenses not provided as part of the conference fee shall not be eligible for reimbursement;

Alcoholic beverages are not eligible for reimbursement;

Meals and/or lodging provided in a private home are not eligible for reimbursement;

Travel related expenses for a spouse or companion shall not be eligible for reimbursement;

Rental vehicle reimbursement shall not exceed the midsize vehicle rate.

No public comment on this item.

It was moved by Director Dills and seconded by Director Green to approve the revisions to the District’s Travel Reimbursement Policy to provide for consideration of total cost for meals instead of just the food charge limit . Directors Dills, Green and Ridilla voted yes. Director Harris abstained. The motion carried with a vote of 3-0-1.

4.8 Consider authorizing allocation of unspent 2015 AMI meter loan proceeds.

No public comment on this item.

It was moved by Director Dills and seconded by Director Ridilla to revise the funding for CUSI billing software to be 100% from the unspent AMI loan proceeds. Purchase new Ford F150 pickup, not to exceed a total (taxes, license fees, and preparation for District use) \$30,000 to be procured using the California State bid, AKA California Multiple Award Schedule (CMAS). Purchase(s) of \$10,000 in general office equipment (e.g. a new office phone system). Directors Dills, Green, Harris and Ridilla voted yes. The motion carried with a vote of 4-0-0.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

- a. Water Operations Report
- b. Conservation Report

5.2. BOARD REPORTS

- a. Report any ad hoc committees dissolved by requirements in Policy 2.01.065.
- b. Regional Water Authority – Agenda, Executive Summary, written report provided.
- c. Sacramento Groundwater Authority – No Meeting
- d. LAFCO – Green – Green stated nothing to report meeting was canceled.
- e. Planning Committee – Dills, Harris – Minutes provided.
- f. Finance / Administrative Committee – Minutes provided.
- g ACWA/JPIA – Green, Harris
 - 1. ACWA and ACWA- JPIA Fall Conference, November 26th through 30th
Director Green provided a written report on information he brought back from the ACWA-JPIA Conference.
- h. AD Hoc Committees
 - 1. MOU Negotiations – Dills, Harris
- i. Other Reports

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

Director Dills gave each of the Board Member notes from the RWA meeting. Director Dills stated it should be put on a future agenda to reconsider membership in RWA. Director Ridilla suggested putting before the Finance and Admin. Committee. The Board requested to form an Ad Hoc Committee to evaluate the Districts membership in RWA. President Ridilla suggested Director Dills and Green for the AD Hoc Committee.

7. ADJOURNMENT

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

Respectfully submitted,

Signature on File
Timothy R. Shaw, Secretary

Signature on File
John Ridilla, President of the Board