

Agenda Item No. 5

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

**1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458**

September 5, 2012

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: **Rio Linda/Elverta Community Water District – Draft
Municipal Service Review – Report Back (L AFC 07-10)**

RECOMMENDATION

Receive and file status report.

Overall the District continues to provide adequate water service to the community and progress is being made to address the water supply and water quality issues. The following summarizes the significant issues and concerns that continue to exist:

1. Difficulty related to Board meetings;
2. No cash flow to build up a financial reserve;
3. Litigation and related legal costs; and
4. No insurance coverage for “employment practices”.

DISCUSSION

This report summarizes the actions, developments, and events related to the Rio Linda Elverta Community Water District that have occurred since August 1, 2012.

I. Board of Directors

There are four seats up for election; Frank Caron's seat is the only seat not up for re-election. Eight candidates have filed to run in the November election, including two incumbents. Jerry Trautman, the current Board President and Courtney Caron have decided not to run for another term.

II. Progress of Well and Pipeline Construction

Well No. 15

The District has completed drilling Well No. 15 and completed construction of the pipeline. The pump building has recently been completed. The access road and fence have been constructed. The pump has been installed. Fees have been paid to SMUD to install the electrical service.

Factory testing of the electrical equipment has taken place for final ordering of the equipment. Electrical service is expected to be on-line by the end of August. Final testing and start up is planned to occur by late September.

Well No. 14

The District has completed drilling the test well. The California Department of Water Resources has taken water samples to determine the water quality. The District has met with the CDPH to review options. The test samples indicate that this well exceeds the arsenic levels permitted by regulatory agencies.

The District has three options: 1) treat this well or the previously constructed well for arsenic, 2) construct a storage facility, or 3) investigate other locations for possible well sites. The District needs approval from CDPH to amend the scope of work for the funding agreement. The Board of Directors has not taken any action on any of the options.

CDPH has indicated that a reservoir tank may be the more appropriate option. The District and CDPH are updating a water demand study to determine the water supply deficit. A number of factors may have changed from the previous analysis such as the current number of vacancies and the change in the estimated growth rate of the community.

Well No. 3

Repairs have been made to Well No. 3 in order to place this well into production. Water samples have been taken for testing to determine if this well can be used. This well can produce approximately 600 gpm. The test samples indicate that arsenic levels are at 10 ppm which should be acceptable to CDPH, however, the manganese level was high and is being re-sampled.

III. Status of CDPH Compliance Orders

The water quality and quantity continue to be satisfactory. Water pressure is subject to variation because of leaks and equipment failures. However, generally, water pressures remain adequate and comply with CDPH standards.

The District has satisfied one of the Compliance Orders issued by the CDPH related to reporting requirements and staffing plans. The first Compliance Order related to water supply and capacity has not been satisfied because well construction is not complete.

The District has met with CDPH to discuss water supply issues and Well No. 14. The District is preparing an updated demand study to determine the estimated water supply deficit. CDPH is also reviewing this data. Depending on the outcome of the water study, CDPH currently supports the construction of a reservoir tank rather than another well.

Progress is being made to address the District's water supply issues; however, it appears that the financial and litigation issues are becoming the more significant issues.

IV. Sacramento Suburban Water District Interconnection

No changes in the operation or status of the intertie with Sacramento Suburban Water District. RLECWD and Sacramento Suburban Water District renewed this Agreement during March, 2012. This intertie operates only if water pressure drops below 30 psi.

V. Status of District Operations

District Financial Condition

No significant changes in the overall financial situation of the District. Cash Flow remains tight. Accounts Payables **are not** current and the District is operating at a loss or in the "red" for last several months. The financial condition of the District is not improving and is actually beginning to erode at an increasing rate. The General Manager has estimated that the operating fund balance will be (\$120, 931) by September 20, 2012.

The District has been able to pay creditors and vendors because it is basically using money that should be deposited into capital and debt service accounts. In addition, over the last several years, the District did not deposit capital construction and debt service funds into the appropriate accounts. Currently, the District needs to put in approximately \$150,000. The District is proposing to repay these funds over a five-year period with annual payments of approximately \$30,000.

Legal costs are exceeding the annual budget amount and may increase as pending litigation goes to trial if settlements cannot be reached. The District acknowledges that it cannot control its legal expenses. *Also, the District is not able to terminate the contract without significant costs based on the severance clause. The contract cannot be terminated until June 30, 2014. Also, the contract provides that it will automatically*

renew under the same terms and conditions unless terminated with a minimum 60 days written notice.

Legal costs for FY 2011-12 were approximately \$479,000. Legal costs for July and August 2012 were approximately \$107,200. The average monthly legal cost is about \$58,000 and appears to be increasing. Note: \$265,000 has been budgeted in the FY 2012-13 budget.

On August 13, 2012, the General Manger recommended that the Board impose a rate hike. The District approved a rate increase pursuant to Proposition 218 but did not increase rates to the maximum level. The Board can increase rates to the maximum amount by Resolution. The Board did not approve the rate increase as recommended. The recommended rate increase would generate approximately \$166,600 in annual revenue. Also, because there are a greater number of vacant dwelling units, actual budgeted revenue has been less than budgeted revenue by approximately \$40,000.

However, the Board did approve the imposition of a standby charge for parcels that are currently not active within the District boundary to cover costs of well construction and capital improvements. The standby rate approved was \$27.68 per billing cycle. It is not certain whether or not property owners will pay.

Also, the Board received an offer to sell its leases for several communication cell towers located on district property. The total value of the offer was in the amount of \$484,000. This would have provided cash that could be used to cover operating and maintenance costs. The Board declined the offer.

It appears that the Board is reluctant to raise rates to meet the on-going financial needs of the District. This could result in bankruptcy or Receivership proceedings.

Staffing and Employee Relations

The Board of Directors no longer permits employees to take home District vehicles for on call emergencies. This has had a negative impact on employee morale.

Urban Water Management Plan

The UWMP is in progress and should be complete by August/September 2012.

Liability Insurance

The Association of California Water Agencies (ACWA) has extended the District's liability coverage for a 6 month period; however, this amended policy does not cover "employment practices". The District has not been able to get coverage for this exclusion. The General Manager has contacted ten (10) carriers. This continues to be a significant issue.

Mary Henrici and Jerry Trautman met with ACWA to give them a status update and let them know what the District is doing to improve its risk.

It appears that it will be difficult for the District to demonstrate that it is an acceptable risk; it will be difficult to get liability coverage. ACWA will be reviewing the coverage it is currently providing at its next Board meeting in November/December 2012.

District Operations

The General Manager's report for July 4, 2012 to August 3, 2012 is attached highlighting the status of various district operations.

Pending Litigation as of August 13, 2012

Currently, the pending litigation is set forth as follows:

- 1.) CONFERENCE WITH GENERAL COUNSEL – PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE - The Board of Directors will meet in closed session pursuant to Government Code § 54957(b)(1).
- 2.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Liz Myers – Federal Case CIV S-11-02671 EFB.
- 3.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2011-00103481.
- 4.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1135.
- 5.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Liz Myers – Fair Employment and Housing Matter.
- 6.) CONFERENCE WITH GENERAL COUNSEL – PENDING LITIGATION - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) (Teamsters Local 150 v. RLECWD, PERB case # SA-CE-736M).
- 7.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill, Unemployment Insurance Hearing Case #'s 4194600 and 4194601.

8.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) Superior Case # 05CS01365 – Michael Phelan.

9.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation. Cal OSHA v. RLECWD - Docket #R2D1-2288 to 2290).

10.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Potential Litigation. Northern California River Watch.

11.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Potential Litigation. Mary Harris legal fees, Board to approve language in settlement agreement.

12.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1095.

13.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1108.

VI. Summary of Issues

Overall the District is providing adequate water service to the community and progress is being made to address the water supply capacity issue. However, there are several concerns that continue to exist:

1. Difficulty related to Board meetings;
2. No cash flow to build up a financial reserve and meet current expenses;
3. Litigation and related legal costs; and
4. No liability insurance for “employment practices”.

VII. LAFCo Actions

The District is facing a number of challenges. The District ratepayers ultimately will be required to pay for costs and liabilities incurred by the District whether or not the District continues to remain in existence or is reorganized.

There are likely significant risks that would have to be assumed by a new entity. However, a new entity would have the opportunity to address the problems in a more responsible and professional manner.

Reorganization will not eliminate significant issues and risks related to pending litigation, lack of liability coverage and legal costs that are being incurred by the District. The reorganized district would assume all assets and *all liabilities* of the RLECWD.

Therefore, a reorganization plan would have to be contingent on developing a sustainable rate structure so that costs and liabilities incurred by the District are paid only by ratepayers within the District. This could be problematic because the ratepayers would probably have to approve a rate increase pursuant to Proposition 218. Consequently, any reorganization plan would be subject to a successful rate increase.

The following discussion simply outlines the statutory process to reorganize the Rio Linda Elverta Community Water District and identify the major issues that would have to be addressed.

Reorganization could be initiated by the Board of Directors of the RLECWD, a registered voter petition from the community, LAFCo, the Board of Supervisors, or another affected agency. The LAFCo process and procedures are similar under each of these methods except for the protest threshold. An election would not be required unless there is adequate protest.

The following table outlines the conducting authority or protest provisions:

Protest Requirements to Trigger an Election	
LAFCo initiated	10 percent protest
Registered Voter Petition	25 percent protest
Board of Supervisor Resolution	25 percent protest
Affected Agency Resolution	25 percent protest

If reorganization was initiated by any of the above actions, the registered voters of the district would have the ability to circulate a petition to require an election on the question of whether or not the District should be reorganized. Therefore, registered voters would have the ability to not approve the reorganization proposal.

In addition, based on a rate study, LAFCo would condition any reorganization proposal to require a rate increase pursuant to Proposition 218 be approved by the ratepayers of the RLECWD to ensure that the costs and liabilities of RLECWD would be paid by the ratepayers of the former RLECWD. If the ratepayers do not approve the proposed rate increase the reorganization proceedings would terminate. *Note: rate increases for water rates would not be approved only if a majority of the rate payers send in a protest against the rate increase. This protest procedure does not ensure a rate increase but from a*

practical point of view, it is more difficult to obtain a majority protest because protest is based on the total number of rate payers.

LAFCo Initiated Reorganization Process

The Commission could initiate a reorganization of the Rio Linda Elverta Community Water District.

The following example is one reorganization option that may be considered by the Commission.

The Commission could initiate proceedings to dissolve the RLECWD and form a County Service Area (CSA) to provide water service to the Rio Linda/Elverta communities. The Board of Supervisors would be the Board of Directors of the CSA and would establish policy and oversee the transition to Sacramento Suburban Water District.

The CSA could contract with Sacramento Suburban Water District to manage the day to day operations of the CSA until operations and financial issues have been stabilized.

A rate study would be required to determine if or how much rates need to be increased so that the CSA is self sustaining. Therefore, formation of the CSA would be subject to the ratepayers of the Rio Linda/Elverta communities approving adequate rates to cover the operational costs, capital costs, and liabilities incurred by the RLECWD as determined by the rate study.

Once, the CSA has stabilized the operations and financial issues, the CSA could be dissolved and annexed to Sacramento Suburban Water District as a permanent solution.

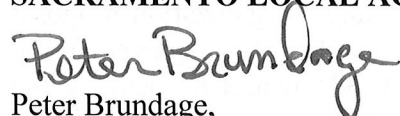
However, under any type of reorganization plan, there will likely be significant risk to the new entity until the liabilities, litigation, and operations are stabilized.

VIII. Next Steps

LAFCo staff will continue to work with CDPH and the District to monitor the situation. We will keep the Commission informed.

Respectfully Submitted;

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage,
Executive Officer

Attachments



**RIO LINDA / ELVERTA
COMMUNITY WATER DISTRICT**

**730 L Street
PO Box 400
Rio Linda, Ca 95673
Office (916)991-1000
Fax (916)991-6616**

**Board of Directors
Special Meeting**

Monday, August 13, 2012

Meeting will begin at 6:30 pm

August 20, 2012 Regular Meeting is cancelled.

**Meeting Location:
Visitor's / Depot Center
6730 Front St
Rio Linda, CA 95673**

The next Regular Meeting is scheduled for
Monday, September 17, 2012
at 6730 Front Street, Rio Linda

It is the intent of the Board that meetings shall remain as informal as reasonably possible consistent with the business needs of the District. The Board President or a majority of the Board may invoke formal proceedings pursuant to Robert's Rules of Order should action be deemed necessary. 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 other items that do not appear on this agenda, but the board will not discuss or take any 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. Copies of the agenda are posted at the Community Center, the District Office and on the District's Web Site at <http://www.RLECWd.com>. All documents relating to items listed on this agenda are available for public inspection at the District office: 730 L Street, Rio Linda, California. The public will be given the opportunity to directly address the Board on each listed item during the Boards consideration of that item. An opportunity for public comment on other items within the jurisdiction of the Board is offered under the item "Public Comment" and such comments are welcomed. Reasonable time limitations may be imposed on each speaker by the Board President. The Board may address any items in any order as approved by the Board.

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such request must be made in writing to the Rio Linda/Elverta Community Water District, 730 L Street, or P.O. Box 400, Rio Linda, CA 95673. Requests will be valid for the calendar year in which the request is received and must be renewed prior to January 1st of the next year. Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Rio Linda/Elverta Community Water District at (916) 991-1000 at least 48 hours prior to the meeting.

Rio Linda / Elverta Community Water District, Board of Directors

Jerry Trautman, President Frank Caron, Director Vivien Spicer-Johnson, Director
Cathy Hood, Vice President Courtney Caron, Director

General Manager/Secretary to the Board
Mary Henrici

CALL TO ORDER AND ROLL CALL	The President will call the meeting to order and take roll.
PLEDGE OF ALLEGIANCE	The President will lead the pledge of allegiance.
ANNOUNCEMENTS	
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) The Board cannot act on items not listed on the agenda and, therefore the Board cannot respond to non-agenda issues raised during Public Comment other than to provide general information.

Monday, August 13, 2012

8. 2010 Urban Water Management Plan (UWMP), Change Order #1 Requested by G.M., Mary Henrici	The Board will discuss and approve UWMP Change Order #1 for \$8,000.00.
9. Risk Assessment Policy, Resolution 2012-16 Requested by G.M., Mary Henrici	The Board will discuss and approve the Risk Assessment Policy as recommended by the District Auditor.
10. Resolution 2012-15 Amending District Policy Manual Requested by G.M., Mary Henrici	The Board will review and discuss placing the District IT policy, Identity Theft, Records Retention, Electronic Mail Retention policies and the 2011 MOU in the District Policy Manual.
11. District Insurance Update Requested by G.M., Mary Henrici	The Board will receive an update on the status of the Districts' Insurance.
12. Conflict of Interest Code, Resolution 2012-03 Requested by G.M., Mary Henrici	The Board will discuss and possibly approve Resolution 2012-03 the Districts' conflict of Interest Code.
3. FINANCIAL REPORTS	DISTRICT FINANCIAL REPORTS
a.) Bank Balances - July 2012 b.) Balance Sheet c.) Profit / Loss and Budget Performance d.) SRF Accumulative Costs	Written reports attached
4. INFORMATION ITEMS	DISTRICT ACTIVITY REPORTS
a.) General Manager's Report b.) Water Production Report c.) Report of District Operations d.) Monthly Source Production e.) Monthly Pressure Readings f.) District Engineers Report	Written reports attached
5. BOARD REPORTS	
a.) Regional Water Authority - Trautman, Hood, Henrici b.) Sacramento Groundwater Authority - Johnson c.) LAFCo - F. Caron d.) Other Reports	Per AB 1234 the Board of Directors will report on their meeting activities.
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 items.
CLOSED SESSION	1.) CONFERENCE WITH GENERAL COUNSEL - PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE - The Board of Directors will meet in closed session pursuant to Government Code § 54957(b)(1). 2.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Liz Myers - Federal Case CIV S-11-02671 EFB.

Monday, August 13, 2012

CLOSED SESSION (Con't)

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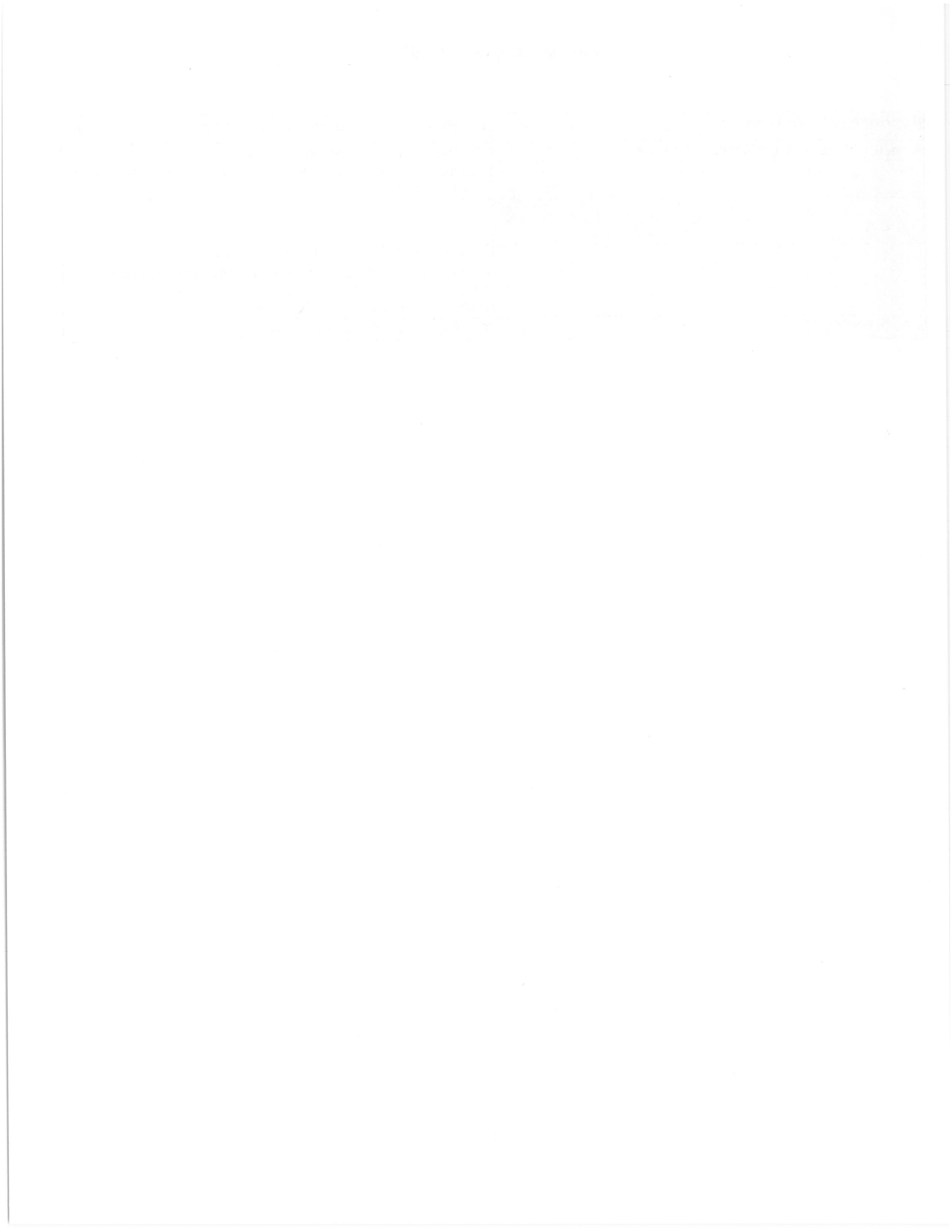
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Monday, August 13, 2012

Reconvene Open Session	The President will reconvene the open session of the meeting.
Announcements from Closed Session	The President will report on any actions taken in closed session. Including any motion or resolution required as a result of closed session discussions.
8. DIRECTORS' AND GENERAL MANAGER COMMENTS	
	Directors' and the General Manager may comment on matters not on the agenda, but no action other than placing the matter on a future agenda for discussion or a report from staff is allowed by the Brown Act.
ADJOURNMENT	The President will adjourn the meeting.



Weekly Managers Report

From July 4 thru August 3, 2012

On July 10, 2012 I had a brief meeting with the District Engineer to discuss Well 3 and the staff reports created on Well 5 and change order #2.

On July 11, 2012 I met with Dustin Hardwick of Utility Resource Insurance Services he informed me that another carrier has declined covering the District. One carrier may still be interested but after seeing all of the You Tube videos said the Board would have to do a rehabilitation plan in order for their group to consider insuring the District. I asked Mr. Hardwick to provide a summary of insurance companies contacted to date and the outcome of the conversations with the carriers. Later that day the project engineer and I walked the well 15 site and discussed the current status of the project.

On July 12, 2012 I went to the RWA meeting where they discussed the Executive officers salary, the Integrated Regional Water Management Plan goals, website and how to put projects on the website for consideration. The 6th revision of the Delta plan was discussed. There were also a few policies that were reviewed by the group.

On July 13, 2012 I met with Mr. Carson to sign payment request 7 and review the flushing program progress to date. He and Chris Bell will be meeting to go over corrections to the drawings in a few weeks. Well 3 was made operational and pumped to waste for a bit. Samples will be drawn Wednesday after disinfection. This will add 600 gpm of standby water. Depending on test results the State may allow us to add this well as a active water source.

On July 16, 2012 The Grand Jury report was reviewed by staff and it was noted that the District is not in the report this year.

On July 18, 2012 Supervisor Mac Glashon had her bimonthly meeting. This month a person from the mosquito vector program put on a presentation. Later that day I had a meeting with the Well 15 contractor and received a project update. The well pump will be installed this week and the generator should be here by the end of the month.

On July 19, 2012 I watched the installation of the well pump at the well 15 site. I also walked the new road with the inspector and contractor and gave approval for use of the road for the rest of the contract. We are currently using other people's property for access to the job site and there is a dust issue in the area being used.

On July 20, 2012 the vehicle usage policy was sent to the union. The policy was implemented today. I am told there will be a grievance filed. Mr. Shada said he would not comment on the policy until it was approved by the Board which it was on July 16, 2012.

At the July 16, 2012 meeting of the Board several questions were asked during the meeting.

Here are the answers.

Are retired employees that are receiving medical insurance payments from the District receiving 1099's?

No. They are not required to receive 1099's per the District's auditor.

Where are check #'s 1568 thru 1574 on the expenditure list and what are their amounts?

All of the missing checks were dated June 12, 2012. The expenditure list was dated June 13 thru July 10, 2012 so they did not show up on the list. These checks will be added to the next expenditure list for Board approval.

The checks are #1568, Teamsters \$682.98. #1569, The News \$20.00. #1570, Usa Bluebook \$669.07. #1571, USA Mobility \$15.13. #1572, USPS \$218.00. #1573, Vanguard Cleaning \$390.00. Wells Fargo merchant services \$99.95. These will be added to the next list for approval.

Why does one credit card's gas always cost \$74.00 at Rio Linda Gas and Mart?

I went with the employee and viewed him putting gas into his truck and as I had said at the meeting when you use a credit card at the pump at Rio Linda Gas and Mart the pump stops at exactly \$74.00.

July 23, 2012 I met with Sean Wright of AP wireless about a potential buyout of some of our tower leases. He will be sending me a proposal for the Board's review at the next meeting.

July 25, 2012 I met with John Haaf of JPIA Insurance. He is the risk assessment person for their company. He was pleased with the progress the staff has made since last year on site improvements and told me of new requirements that OSHA has coming regarding pressurized vessels and electrical box signage. He noted that we needed to create a heat prevention program and a standard contract for people that do emergency work for our agency based on their format for insurance risk. These items have been done. Confined space identification training is also required. We will be performing that shortly.

July 26, 2012 I attended SAWWA the topic of the day was new Air Quality Management internal combustion engine requirements. The Air Quality Management Board gave a presentation on new requirements.

July 27, 2012 Sara Rogers, Jim Carson and I met with State Health and discussed the options available for complying with our compliance order. Mr. Hinrichs asked that Sara provide updated information on our demand study to possibly lower the amount of water required for peak hour flows. He also asked that she provide more detailed cost estimates on using well #14 as a standby well which would not require treatment and costs for installing a tank at the District's office location. This would be an optimum site as it is centrally located with a pump already on site and large distribution lines nearby and the District already owns the property. Both the engineering division and funding division of CDPH would have to agree on which course the District takes to comply with our order and lift the moratorium.

July 31, 2012 The well #15 construction meeting was cancelled due to the contractor not being available. Mr. Carson met with staff and reviewed corrections to the directional flushing program diagrams. He also met with me regarding well 3 and the items that still need to be completed before the well can go on line. The arsenic test for the well came back at 10 ppm so the State should be able to allow us to put the well into production adding another 600 gallons per minute to the system.

August 1, 2012 I went to the Lafco meeting. They were concerned about the Districts lack of insurance coverage and the high legal fees. It was asked if the Board would consider increasing the rates to the maximum allowed in our past 218 measure. It was noted in the past the Board did not have the votes to get the rate increased. It was asked if bankruptcy had been considered as the income is not meeting the expenses at this time. It was reported that bankruptcy has not been considered at this time but a takeover plan is being created by Lafco in case the District can no longer meet its obligations.

OPERATING ACCOUNT BALANCE

June 30, 2012 Bank balance	\$ 34,337.93
July Board meeting bills	\$-289,558.16
June bills included in July mtg.	\$ 94,140.13
July Payments received	\$ 108,924.49
Subtotal	\$- 52,155.61
Additional July Bills approved in August	\$ -2,095.13
August Board meeting Bills	\$-240,377.04
Additional August payables to date	\$ -52,539.37
August payments to 8/12/12	\$ 193,719.18
Current Operating Fund Balance	\$-153,447.96
Accounts receivable	\$ 317,517.55
Estimated September Bills	\$-285,000.00
Projected Operating Fund Balance 9/20/12	\$-120,930.41

Billed July 20, 2012	\$511,236.73
Less amounts received to date	-193,719.18
Accounts receivable thru September 2012	\$317,517.55

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

	A	B	C	D	E	F	G	H	I	K	L
1											
2	INCOME						2011-12 Actual	2011-2012 Final Budget	2012-2013 Preliminary Budget	2012-2013 Final Budget	2011-12 vs 2012-13 Final Budget
3							Revenues TO 7/26/12				
4											
5											
6											
7											
8											
9							\$1,338,276.96	\$1,335,000.00	\$1,402,550.00	\$1,302,550.00	-\$32,450.00
10							\$565,547.30	\$475,000.00	\$546,656.00	\$496,656.00	\$21,656.00
11							\$28,394.08	\$27,360.00	\$25,000.00	\$25,000.00	-\$2,360.00
12							\$9,085.73	\$8,000.00	\$8,000.00	\$8,000.00	\$0.00
13							\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14							\$150,000.00				
15							\$2,091,304.07	\$1,845,360.00	\$1,982,206.00	\$1,832,206.00	-\$13,154.00
16											
17											
18							\$21,235.00	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00
19							\$31,555.00	\$9,500.00	\$30,000.00	\$30,000.00	\$20,500.00
20							\$44,838.50	\$20,500.00	\$35,000.00	\$35,000.00	\$14,500.00
21							\$6,950.00	\$3,500.00	\$5,000.00	\$5,000.00	\$1,500.00
22							\$9,241.59	\$1,000.00	\$4,000.00	\$4,000.00	\$3,000.00
23											
24							\$113,820.09	\$44,500.00	\$84,000.00	\$84,000.00	\$39,500.00
25											
26											
27											
28							\$62,320.00	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00
29							\$19,491.00	\$2,000.00	\$1,500.00	\$1,500.00	-\$500.00
30							\$140.00	\$500.00	\$500.00	\$500.00	\$0.00
31							\$81,951.00	\$3,500.00	\$3,000.00	\$3,000.00	-\$500.00
32											
33											

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
34	INCOME					2011-2012	2011-2012	2012-2013	2012-2013	2011-12 vs
35						Actual	Final	Preliminary	Final	2012-13
36						Income	Budget	Budget	Budget	Final Budget
37										
38						\$0.00	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00
39										
40						\$2,287,075.16	\$1,898,360.00	\$2,074,206.00	\$1,924,206.00	\$25,846.00
41										
42										
43										
44	**					\$75,405.55	\$67,000.00	\$70,000.00	\$75,000.00	\$8,000.00
45						\$4.36	\$500.00	\$1,000.00	\$1,000.00	\$500.00
46						\$60,438.72	\$60,000.00	\$60,000.00	\$60,000.00	\$0.00
47						\$284.00	\$5,000.00	\$500.00	\$500.00	-\$4,500.00
48										
49						\$136,132.63	\$132,500.00	\$131,500.00	\$136,500.00	\$4,000.00
50						\$2,423,207.79	\$2,030,860.00	\$2,205,706.00	\$2,060,706.00	\$29,846.00
51										
52	EXPENSE					2011-2012	2011-2012	2012-2013	2012-2013	2011-12 vs
53						Actual	Final	Preliminary	Final	2012-13
54	OPERATING EXPENDITURES					Income	Budget	Budget	Budget	Final Budget
55										
56										
57										
58						\$438,455.14	\$262,000.00	\$265,000.00	\$265,000.00	\$3,000.00
59						\$13,571.00	\$15,000.00	\$0.00	\$0.00	-\$15,000.00
60						\$18,133.00	\$33,250.00	\$18,000.00	\$18,000.00	-\$15,250.00
61						\$12,212.50	\$25,000.00	\$11,000.00	\$11,000.00	-\$14,000.00
62										
63										
64						\$15,062.23	\$15,000.00	\$15,000.00	\$15,000.00	\$0.00
65						\$0.00	\$1,000.00	\$3,000.00	\$3,000.00	\$2,000.00
66						\$15,062.23	\$16,000.00	\$18,000.00	\$18,000.00	\$2,000.00

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
						2011-2012 Actual Expenditures	2011-2012 Final Budget	2012-2013 Preliminary Budget	2012-2013 Final Budget	2011-12 vs 2012-13 Final Budget
67						\$497,433.87	\$351,250.00	\$312,000.00	\$312,000.00	-\$39,250.00
68										
69										
70										
71										
72										
73										
74										
75										
76						\$81,952.71	\$80,000.00	\$85,560.00	\$85,560.00	\$5,560.00
77	6					\$284,774.63	\$310,000.00	\$293,801.00	\$293,801.00	-\$16,199.00
78						\$36,925.96	\$15,000.00	\$35,000.00	\$35,000.00	\$20,000.00
79						\$403,653.30	\$405,000.00	\$414,361.00	\$414,361.00	\$9,361.00
80										
81	**					\$9,380.00	\$15,000.00	\$10,950.00	\$12,950.00	-\$2,050.00
82						\$8,052.90	\$10,000.00	\$10,000.00	\$10,000.00	\$0.00
83										
84						\$421,086.20	\$430,000.00	\$435,311.00	\$437,311.00	\$7,311.00
85										
86										
87										
88										
89	19.773					\$55,875.71	\$58,950.00	\$75,010.00	\$75,010.00	\$16,060.00
90							\$11,700.00			-\$11,700.00
91						\$55,875.71	\$70,650.00	\$75,010.00	\$75,010.00	\$4,360.00
92										
93	**					\$23,468.85	\$24,000.00	\$22,945.00	\$26,444.00	\$2,444.00
94	7.65					\$31,890.68	\$32,000.00	\$29,021.00	\$29,021.00	-\$2,979.00
95	7 STAFF					\$92,562.64	\$102,000.00	\$89,820.00	\$89,820.00	-\$12,180.00
96						\$17,938.87	\$16,000.00	\$21,000.00	\$21,000.00	\$5,000.00
97						\$2,975.71	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00
98						\$1,488.80	\$3,000.00	\$2,000.00	\$2,000.00	-\$1,000.00
99										

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
EXPENSE						2011-2012 Actual Expenditures	2011-2012 Final Budget	2012-2013 Preliminary Budget	2012-2013 Final Budget	2011-12 vs 2012-13 Final Budget
100										
101										
102										
103										
104			Management Training			\$0.00	\$0.00	\$2,000.00	\$2,000.00	\$2,000.00
105	3.5		Unemployment Insurance			\$1,854.98	\$11,000.00	\$1,715.00	\$1,715.00	-\$9,285.00
106										
107			Meetings & Conferences							
108			General Manager			\$1,157.73	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
109	**		Meetings & Conferences Other			\$2,696.32	\$1,000.00	\$0.00	\$2,000.00	\$1,000.00
110										
111			TOTAL MEETINGS AND CONFERENCE			\$3,854.05	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00
112										
113			TOTAL BENEFITS AND EXPENSES			\$231,910.29	\$264,650.00	\$249,511.00	\$253,010.00	-\$11,640.00
114										
115										
116			TOTAL WAGES AND BENEFITS			\$652,996.49	\$694,650.00	\$684,822.00	\$690,321.00	-\$4,329.00
117										
118			CONTRACTUAL SERVICES/AGREEMENTS							
119			Elections			\$0.00	\$0.00	\$7,000.00	\$7,000.00	\$7,000.00
120										
121			Memberships							
122	**		Regional Water Authority			\$9,031.00	\$8,800.00	\$4,700.00	\$9,031.00	\$231.00
123			SGA			\$20,102.00	\$20,200.00	\$20,200.00	\$20,200.00	\$0.00
124			ACWA			\$7,910.00	\$7,000.00	\$7,910.00	\$7,910.00	\$910.00
125			AWWA			\$0.00	\$0.00	\$98.00	\$98.00	\$98.00
126			CSDA			\$3,725.00	\$2,700.00	\$3,800.00	\$3,800.00	\$1,100.00
127			Membership-Other (CRWA)			\$937.00	\$1,400.00	\$950.00	\$950.00	-\$450.00
128			SAWWA			\$0.00	\$0.00	\$325.00	\$325.00	\$325.00
129										
130			Total Memberships			\$41,705.00	\$40,100.00	\$37,983.00	\$42,314.00	\$2,214.00
131										
132			Government Fees/Permit Fees			\$3,395.54	\$2,000.00	\$4,000.00	\$4,000.00	\$2,000.00

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
						2011-2012	2011-2012	2012-2013	2012-2013	2011-12 vs
						Actual	Final	Preliminary	Final	2012-13
						Expenditures	Budget	Budget	Budget	Final Budget
133	EXPENSE									
134										
135										
136										
137		Insurance								
138	**	Liability/Vehicle				\$19,626.67	\$20,150.00	\$40,000.00	\$41,000.00	\$20,850.00
139	**	Property				\$4,250.75	\$4,200.00	\$25,000.00	\$6,500.00	\$2,300.00
140		Total Insurance				\$23,877.42	\$24,350.00	\$65,000.00	\$47,500.00	\$23,150.00
141										
142		Conservation								
143		Toilet Replacement Program				\$825.00	\$1,500.00	\$1,000.00	\$1,000.00	-\$500.00
144		Regional Conservation Program				\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$2,500.00
145		Washing Machine Rebates				\$100.00	\$300.00	\$300.00	\$300.00	\$0.00
146	**	Education Supplies				\$0.00	\$1,000.00	\$500.00	\$0.00	-\$1,000.00
147		Contract Services				\$0.00	\$500.00	\$0.00	\$0.00	-\$500.00
148		Community Outreach				\$0.00	\$500.00	\$0.00	\$0.00	-\$500.00
149		Total Conservation				\$925.00	\$3,800.00	\$4,300.00	\$3,800.00	\$0.00
150										
151		Engineering Services								
152		Routine Engineering				\$48,611.00	\$50,000.00	\$50,000.00	\$50,000.00	\$0.00
153		Special Projects-Task Orders				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
154		Engineering Services-Other				\$0.00	\$10,000.00	\$10,000.00	\$0.00	-\$10,000.00
155		Total Engineering Services				\$48,611.00	\$60,000.00	\$60,000.00	\$50,000.00	-\$10,000.00
156										
157		FIELD OPERATIONS								
158										
159		Transportation								
160		Fuel				\$16,926.34	\$14,000.00	\$16,000.00	\$16,000.00	\$2,000.00
161		Maintenance				\$8,454.98	\$8,000.00	\$8,000.00	\$8,000.00	\$0.00
162		Transportation Other				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
163		Total Transportation				\$25,381.32	\$22,000.00	\$24,000.00	\$24,000.00	\$2,000.00
164										
165										

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
166	EXPENSE					2011-2012	2011-2012	2012-2013	2012-2013	2011-12 vs
167						Actual	Final	Preliminary	Final	2012-13
168						Expenditures	Budget	Budget	Budget	Final Budget
169										
170										
171						\$132.19	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00
172						\$18,071.73	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00
173						\$619.82	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00
174						\$8,479.75	\$6,000.00	\$10,000.00	\$10,000.00	\$4,000.00
175						\$375.00	\$5,000.00	\$1,000.00	\$1,000.00	-\$4,000.00
176						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
177							\$0.00	\$0.00	\$0.00	\$0.00
178						\$18,320.00	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00
179						\$45,998.49	\$57,000.00	\$57,000.00	\$57,000.00	\$0.00
180										
181										
182						\$19,580.37	\$25,000.00	\$20,000.00	\$20,000.00	-\$5,000.00
183										
184										
185						\$1,179.80	\$3,000.00	\$3,000.00	\$3,000.00	\$0.00
186						\$3,743.00	\$8,000.00	\$15,000.00	\$15,000.00	\$7,000.00
187						\$4,922.80	\$11,000.00	\$18,000.00	\$18,000.00	\$7,000.00
188										\$0.00
189						\$32,378.72	\$30,000.00	\$40,000.00	\$40,000.00	\$10,000.00
190										\$0.00
191	**					\$3,478.52	\$2,100.00	\$2,500.00	\$3,500.00	\$1,400.00
192						\$180.91	\$200.00	\$200.00	\$200.00	\$0.00
193						\$3,659.43	\$2,300.00	\$2,700.00	\$3,700.00	\$1,400.00
194										
195										
196										
197										
198										

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
EXPENSE						2011-2012 Actual Expenditures	2011-2012 Final Budget	2012-2013 Preliminary Budget	2012-2013 Final Budget	2011-12 vs 2012-13 Final Budget
199										
200										
201										
202										
203										
204						\$12,464.01	\$15,000.00	\$15,000.00	\$15,000.00	\$0.00
205						\$171,825.31	\$150,000.00	\$170,000.00	\$170,000.00	\$20,000.00
206						\$0.00	\$500.00	\$500.00	\$500.00	\$0.00
207										
208						\$184,289.32	\$165,500.00	\$185,500.00	\$185,500.00	\$20,000.00
209										
210										
211						\$2,515.99	\$4,000.00	\$4,000.00	\$4,000.00	\$0.00
212						\$1,820.63	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
213						\$2,026.78	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00
214						\$722.65	\$500.00	\$750.00	\$750.00	\$250.00
215						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
216						\$7,086.05	\$8,500.00	\$8,750.00	\$8,750.00	\$250.00
217										
218										
219						\$323,296.50	\$321,300.00	\$355,950.00	\$356,950.00	\$35,650.00
220										
221										
222										
223										
224										
225										
226						\$1,705.72	\$2,000.00	\$1,000.00	\$1,000.00	-\$1,000.00
227						\$1,863.09	\$1,300.00	\$1,750.00	\$1,750.00	\$450.00
228						\$1,751.75	\$1,625.00	\$1,625.00	\$1,625.00	\$0.00
229						\$0.00	\$200.00	\$0.00	\$0.00	-\$200.00
230						\$0.00	\$500.00	\$0.00	\$0.00	-\$500.00
231						\$5,320.56	\$5,625.00	\$4,375.00	\$4,375.00	-\$1,250.00

**RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET**

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
						2011-2012 Actual Expenditures	2011-2012 Final Budget	2012-2013 Preliminary Budget	2012-2013 Final Budget	2011-12 vs 2012-13 Final Budget
232	EXPENSE									
233										
234										
235										
236		Regular Phone Service				\$5,690.12	\$7,800.00	\$3,600.00	\$3,600.00	-\$4,200.00
237		Bank Charges				\$5,705.42	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00
238		Payroll Services				\$1,986.56	\$500.00	\$0.00	\$0.00	-\$500.00
239		ATM/Credit Card Service/Direct				\$9,650.82	\$9,000.00	\$9,000.00	\$9,000.00	\$0.00
240										
241		Printing								
242										
243		Bill Stock Incl Env and Late Bills				\$2,803.88	\$3,500.00	\$3,500.00	\$3,500.00	\$0.00
244	**	Printing-Other				\$549.52	\$4,000.00	\$0.00	\$600.00	-\$3,400.00
245		Total Printing				\$3,353.40	\$7,500.00	\$3,500.00	\$4,100.00	-\$3,400.00
246										
247		Postage								
248										
249		Postage Machine Postage				\$702.22	\$14,000.00	\$1,000.00	\$1,000.00	-\$13,000.00
250		Postage - Other				\$14,087.71	\$500.00	\$14,000.00	\$14,000.00	\$13,500.00
251		Total Postage				\$14,789.93	\$14,500.00	\$15,000.00	\$15,000.00	\$500.00
252										
253		Office Supplies				\$8,823.06	\$10,000.00	\$9,000.00	\$9,000.00	-\$1,000.00
254										
255		Office Equipment Maintenance								
256										
257		Inserter /Postage Machine Lease				\$11,931.48	\$12,000.00	\$12,400.00	\$12,400.00	\$400.00
258		Billing Software Maintenance				\$3,037.00	\$2,500.00	\$3,000.00	\$3,000.00	\$500.00
259		Computer System Maintenance				\$10,374.78	\$10,800.00	\$5,800.00	\$5,800.00	-\$5,000.00
260		Photocopy Maintenance				\$710.11	\$2,000.00	\$1,000.00	\$1,000.00	-\$1,000.00
261		Miscellaneous				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
262		Total Office Equipment Maintenance				\$26,053.37	\$27,300.00	\$22,200.00	\$22,200.00	-\$5,100.00
263										
264										

RIO LINDA/ELVERTA CWD
2012/13 FINAL BUDGET

August 14, 2012

A	B	C	D	E	F	G	H	I	K	L
						2011-2012	2011-2012	2012-2013	2012-2013	2011-12 vs
						Actual	Final	Preliminary	Final	2012-13
						Expenditures	Budget	Budget	Budget	Final Budget
265	EXPENSE									
266										
267										
268										
269		Publishing								
270										
271		Legal Advertising				\$59.00	\$1,000.00	\$1,000.00	\$1,000.00	\$0.00
272		Newsletters				\$86.18	\$500.00	\$500.00	\$500.00	\$0.00
273										
274		Total Publishing				\$145.18	\$1,500.00	\$1,500.00	\$1,500.00	\$0.00
275										
276		Building								
277										
278		Utilities				\$6,375.66	\$4,500.00	\$6,500.00	\$6,500.00	\$2,000.00
279		Janitorial				\$2,535.00	\$2,400.00	\$2,400.00	\$2,400.00	\$0.00
280		Maintenance				\$1,967.77	\$5,000.00	\$3,000.00	\$3,000.00	-\$2,000.00
281		Security				\$312.00	\$500.00	\$500.00	\$500.00	\$0.00
282		Total Building				\$11,190.43	\$12,400.00	\$12,400.00	\$12,400.00	\$0.00
283										
284		Total Office Operations Expense				\$92,708.85	\$101,125.00	\$85,575.00	\$86,175.00	-\$14,950.00
285										
286	**	Operating Expenditures-Other				\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00
287										
288	TOTAL OPERATING EXPENDITURES					\$1,684,949.67	\$1,598,575.00	\$1,616,630.00	\$1,600,060.00	\$1,485.00
289										
290	NON OPERATING EXPENDITURES									
291										
292		Debt Service								
293										
294		Bond Administration				\$1,700.00	\$1,700.00	\$1,700.00	\$1,700.00	\$0.00
295		Revenue Bond 2003-Interest				\$146,264.00	\$148,769.00	\$143,563.00	\$143,563.00	-\$5,206.00
296		Revenue Bond 2003-Principle				\$95,000.00	\$95,000.00	\$95,000.00	\$95,000.00	\$0.00
297		Total Debt Service				\$242,964.00	\$245,469.00	\$240,263.00	\$240,263.00	-\$5,206.00

