

REGULAR MEETING OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS

Agenda

Tuesday, July 18, 2023

6:30 PM

Compliance with Government Code Section 54957.5

Public records, including writings related to an agenda item for an open session of a regular meeting of the Florin Resources Conservation District that are distributed less than 72 hours before the meeting, are available by email request. In addition, such writings may be posted, whenever possible, on the Elk Grove Water District website at www.egwd.org. The Board will discuss all items on the agenda and may take action on any item listed as an "Action" item. The Board may discuss items that do not appear on the agenda but will not act on those items unless there is a need to take immediate action and the Board determines by a two-thirds (2/3) vote that the need for action arose after posting of the agenda. If necessary, the Meeting will be adjourned to Closed Session to discuss items on the agenda listed under "Closed Session." At the conclusion of the Closed Session, the meeting will reconvene to "Open Session."

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Public Comment

This is the opportunity for the public to comment on non-agenda items within the subject matter jurisdiction. Comments are limited to three (3) minutes.

Page Numbers

1. Proclamations and Announcements

Associate Director Comment

Public Comment

2. **Public Hearing and Consideration of the 2024-2028 Water Rate Study and Adoption of New Water Service Rates and Private Fire Protection Service Rates**

5-67

(Patrick Lee, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

Recommended Action/Information: Adopt Ordinance No. 07.18.23.01, approving the 2024-2028 Water Rate Study Report and adopting the new water service rates and private fire protection service rates prescribed by the study.

3. **Public Hearing and Consideration of the 2024 Capacity Fee Study and Adoption of New Water Connection Fees**

68-87

(Patrick Lee, Finance Manager/Treasurer)

Associate Director Comment

Public Comment

Recommended Action/Information: Adopt Ordinance No. 07.18.23.02, approving the 2024 Capacity Fee Study and revising the Elk Grove Water District water connection fees as prescribed by the study.

- | | |
|--|--------------|
| 4. Consent Calendar | 88-89 |
| (Stefani Phillips, Board Secretary and Patrick Lee, Treasurer) | |
| a. Minutes of Regular Board Meeting of June 20, 2023 | 90-93 |
| b. Accounts Payable Check History – June 2023 | 94-96 |
| c. Board and Employee Expense/Reimbursements – June 2023 | 97 |
| d. Active Accounts – June 2023 | 98 |
| e. Bond Covenant Status for FY 2022-23 – June 2023 | 99 |
| f. CASH - Detail Schedule of Investments– June 2023 | 100 |
| g. Consultants Expenses – June 2023 | 101 |
| h. Major Capital Improvement Projects – June 2023 | 102 |

Associate Director Comment

Public Comment

Recommended Action/Information: Approve Florin Resource Conservation District Consent Calendar items a – h.

- | | |
|--|----------------|
| 5. Florin Resource Conservation District Associate Director Appointment | 103-108 |
| (Stefani Phillips, Board Secretary) | |

Associate Director Comment

Public Comment

Recommended Action/Information: Consider the appointment of Robert Stresak as Associate Director to the Florin Resource Conservation District Board of Directors.

- | | |
|---|----------------|
| 6. Elk Grove Water District Fiscal Year 2022-23 Quarterly Operating Budget Status Report | 109-116 |
| (Patrick Lee, Finance Manager/Treasurer) | |

Associate Director Comment

Public Comment

Recommended Action/Information: Information only.

- | | |
|--|----------------|
| 7. Elk Grove Water District Fiscal Year 2022-23 Quarterly Capital Reserve Status Report | 117-120 |
| (Patrick Lee, Finance Manager/Treasurer) | |

Associate Director Comment

Public Comment

Recommended Action/Information: Information only.

8. Rosenberg’s Rules of Order – Amendment to the Bylaws of the Florin Resource Conservation District 121-153
(Bruce Kamilos, General Manager)

Associate Director Comment

Public Comment

Recommended Action/Information: Adopt Resolution No. 07.18.23.01, amending the Bylaws of the Florin Resource Conservation District section 8.2 (a) to refer to Rosenberg’s Rules of Order in place of Robert’s Rules of Order.

9. Trench Plate Purchase 154-161
(Ben Voelz, Associate Engineer)

Associate Director Comment

Public Comment

Recommended Action/Information: Authorize the General Manager to execute a purchase order in the amount of \$117,450.00 to Trench and Traffic Supply to procure 40 new six-foot by ten-foot steel trench plates.

10. Backhoe Loader Purchase 162-169
(Ben Voelz, Associate Engineer)

Associate Director Comment

Public Comment

Recommended Action/Information: Authorize the General Manager to execute a purchase order in the amount of \$209,462.77 to Holt of California to procure a new backhoe loader.

11. Amendment to District Procurement Policies Purchasing Thresholds 170-203
(Bruce Kamilos, General Manager)

Associate Director Comment

Public Comment

Recommended Action/Information: Adopt:

1. Resolution No. 07.18.23.02, amending the Purchase of Goods and Services from Outside Vendors Policy to increase the cost threshold between “minor purchases” and “intermediate purchases” from \$3,000 to \$5,000.
2. Resolution No. 07.18.23.03, amending the Professional and Consultant Services Agreements Policy to increase the cost threshold by which professional and consultant services may be acquired from \$3,000 to \$5,000.

12. Legislative Matters and Potential Direction to Staff **204-209**
(Travis Franklin, Program Manager)

Associate Director Comment

Public Comment

Recommended Action/Information: Information only.

13. General Manager's Report **210-232**
(Bruce Kamilos, General Manager)

Associate Director Comment

Public Comment

Recommended Action/Information: **1. Information, discussion, and in some instances, provide direction to staff; and**

2. To Consider nominating John Woodling to the Association of California Water Agencies Groundwater Committee

14. Elk Grove Water District Operations Report – June 2023 **233-287**
(Bruce Kamilos, General Manager)

Associate Director Comment

Public Comment

Recommended Action/Information: Information only.

15. Directors Comments

Adjourn to Regular Meeting – August 15, 2023

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Patrick Lee, Finance Manager/Treasurer

SUBJECT: **PUBLIC HEARING AND CONSIDERATION OF THE 2024-2028 WATER RATE STUDY AND ADOPTION OF NEW WATER SERVICE RATES AND PRIVATE FIRE PROTECTION SERVICE RATES**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt Ordinance No. 07.18.23.01, approving the 2024-2028 Water Rate Study Report and adopting the new water service rates and private fire protection service rates prescribed by the study.

SUMMARY

In October 2022, the Florin Resource Conservation District (District) initiated a review of the District's water enterprise, the Elk Grove Water District (EGWD), its financial requirements and the preparation of a new five-year water rate study. This study, referred to as the 2024-2028 Water Rate Study, was tentatively approved by the Board on May 16, 2023, subject to compliance with a rate setting process governed under Proposition 218 and a public hearing to consider comments and protests.

The 2024-2028 Water Rate Study recommends rate adjustments over the next five (5) years with the first adjustment commencing on January 1, 2024, and subsequent adjustments commencing each January 1 thereafter, through and including January 1, 2028. The study recommends 4.5% annual revenue adjustments for the calendar years 2024-2028.

The Board will hold a public hearing to receive comments and consider protests received in compliance with Proposition 218. Following the public hearing, the Board will consider adoption of an ordinance which will include final approval of the 2024-2028 Water Rate Study and adoption of new water service rates and private fire protection service rates prescribed by the study.

DISCUSSION

Background

As part of the Florin Resource Conservation District 2020-2025 Strategic Plan, the District is due to conduct a review of the EGWD water rates to ensure revenues will be sufficient

PUBLIC HEARING AND CONSIDERATION OF THE 2024-2028 WATER RATE STUDY AND ADOPTION OF NEW WATER SERVICE RATES AND PRIVATE FIRE PROTECTION SERVICE RATES

Page 2

to cover operational costs, debt service costs and capital costs while adhering to the District's reserve policy and complying with major bond covenants for the years 2024-2028. The last water rate study was completed and adopted by the Board in June 2018. A new water rate study was identified by the Board as a key objective for fiscal year 2022-2023.

In October 2022, the Board retained Raftelis to conduct an extensive review of EGWD's revenue requirements and prepare a new water rate study which would include a financial plan, a cost-of-service analysis, and a rate design plan.

A Community Advisory Committee (CAC), comprising of 10 EGWD rate payers, was formed to provide the EGWD with input regarding the 2024-2028 Water Rate Study. There were four (4) meetings where the CAC and public had an opportunity to provide comments and input on the study. The CAC and public contributed valuable assistance and input to ensure that the information and work products are accurate and equitable.

At a public meeting on December 13, 2022, staff met with the CAC and the Board to conduct a Water Rate Study 101 presentation to go over water rate setting principles and expectations.

At a public meeting on January 17, 2023, staff met with the CAC and the Board to review the first draft of the 10-year financial plan developed by Raftelis based on projected inflation, projected customer growth, projected demand growth, projected capital spending needs and projected operating expense escalations as developed through discussions with District staff. Raftelis developed three (3) different financial plan scenarios which were presented to both the CAC and the Board showing the effect on the District's future minimum reserve requirements as described below:

- Scenario 1: A do-nothing case (0%, 0%, 0%, 0%, 0%) resulting in negative minimum reserve cash balances by fiscal year end (FYE) 2027 and beyond and the District falling out of compliance with its debt covenant ratio by FYE 2027.
- Scenario 2: Revenue adjustments of 4%, 4%, 3%, 2.5%, 2.5% over five (5) years assuming water demand and customer growth of 1.5% per year resulting in the District projecting to barely meet its minimum reserve cash balances in FYE 2028 and FYE 2029.
- Scenario 3: Revenue adjustments of 4%, 4%, 4%, 2.5%, 2.5% over five (5) years assuming water demand and customer growth of 1.5% per year resulting in the District projecting to have a slightly positive minimum reserve cash balance in FYE 2028 and positive reserve cash balances in other years.

PUBLIC HEARING AND CONSIDERATION OF THE 2024-2028 WATER RATE STUDY AND ADOPTION OF NEW WATER SERVICE RATES AND PRIVATE FIRE PROTECTION SERVICE RATES

Page 3

Both the CAC and the Board requested that Raftelis run an additional scenario where water demand is based on the FYE 2022 water demand volume and held constant for all future years. The CAC felt that this scenario would provide a conservative approach to manage the District's fiscal needs in the case of mandated water conservation efforts related to drought conditions, and as water conservation increasingly becomes a California way of life.

District staff worked with Raftelis to 1) run a 0% growth water demand scenario (Scenario 4); and 2) an additional scenario (Scenario 5) where 5-year revenue adjustments were held to 4% for all five (5) years. The results of the two (2) additional scenarios were presented to both the CAC and the Board during public meetings on February 21, 2023, and were as follows:

- Scenario 4: Water demand growth held at 0% resulted in revenue adjustments of 4.5%, 4.5%, 4.5%, 4.5%, 4.5%. This scenario yielded a slightly positive minimum reserve cash balance in FYE 2028 and positive reserve cash balances in other years. This conservative approach allows the District the greatest flexibility to manage required rate increases based on actual inflation, operating results and projected budgets.
- Scenario 5: Revenue adjustments held at 4%, 4%, 4%, 4%, 4% required a water demand growth of 0.9% (Scenarios 1-3 assumed 1.5% and Scenario 4 assumed 0%) per year to meet projected cash balance needs. This scenario resulted in a zero minimum reserve cash balance in FYE 2028 and positive reserve cash balances in other years. Scenario 5 also provides the District with a higher level of flexibility to manage required rate increases based on actual inflation, operating results and projected budgets.

Staff received direction from the Board to have Raftelis proceed with a cost-of-service analysis utilizing a financial plan with the recommended adjustments from scenario 4, reflecting a 4.5% revenue adjustment in developing the rate design for calendar years 2024-2028.

Raftelis completed a cost-of-service analysis which involves going through the District's total cost to operate the water system and functionalizing those costs based on whether they are supply and delivery related costs, conservation related costs, extra capacity related costs, meter maintenance related costs or customer service-related costs. These functionalized costs are then categorized as volumetric or fixed, with supply and delivery, conservation and a portion of extra capacity categorized as volumetric and meter maintenance, customer service and the remaining portion of extra capacity categorized

PUBLIC HEARING AND CONSIDERATION OF THE 2024-2028 WATER RATE STUDY AND ADOPTION OF NEW WATER SERVICE RATES AND PRIVATE FIRE PROTECTION SERVICE RATES

Page 4

as fixed. These costs are then further allocated to customer classes based on customer usage characteristics and meter sizes.

Using this exercise, along with the utilization of American Water Works Association (AWWA) hydraulic capacity ratios by meter type and size, Raftelis developed an updated water rate structure with recommended volumetric and fixed rates for all customer classes and meter sizes.

The results of the rate design set forth the recommended revenue rate increases for the next five (5) calendar years. The water rate design was presented to the CAC and Board during a public meeting on March 21, 2023. At that board meeting, staff received direction from the Board to proceed with drafting the Proposition 218 public hearing notice and to have Raftelis move forward with finalizing the water rate study.

On May 16, 2023, the 2024-2028 Water Rate Study was tentatively approved by the Board, subject to compliance with several procedural requirements, including those established by Proposition 218. Proposition 218 was passed by voters in 1996 and, for water rate increases, established a specific process for giving notice and receiving protests.

Proposition 218 requires that the public agency proposing to impose a new or increase to an existing property-related fee or charge, such as water service fees, hold a public hearing and provide written notice by mail of the public hearing to the record owner of each parcel upon which the fee or charge will be imposed and any tenant who is directly liable for the payment of the fee or charge (i.e., a customer of record). The notice must contain the following information:

- The amount of the fees proposed to be imposed;
- The basis upon which the fees were calculated;
- A statement regarding the reason for the imposition of the new, or increase to the existing fees; and
- The date, time and location of the public hearing at which the legislative body will consider the new fees or proposed increases to the existing fees.

On May 30, 2023, approximately 14,500 notices were mailed to EGWD customers, including both the tenants and owners of record for all properties served by the District. Proposition 218 requires that these tenants and owners be afforded 45 days to submit written protests before any rate increase can be considered by the Board.

PUBLIC HEARING AND CONSIDERATION OF THE 2024-2028 WATER RATE STUDY AND ADOPTION OF NEW WATER SERVICE RATES AND PRIVATE FIRE PROTECTION SERVICE RATES

Page 5

It is important to note that the effect of the rate adjustments may differ from customer to customer, depending on water usage. Pages 33 and 34 of the 2024-2028 Water Rate Study provides a graphical bill impact comparison for residential, non-residential and irrigation customers. The EGWD will also assemble a bill calculator to be located on the EGWD website, which will allow customers to determine their current and future water rates depending on their respective water consumption.

Present Situation

This Board item is the next step in the process and includes a public hearing to consider the adoption of the proposed rate increases to the water service rates and private fire protection service rates. Before the public hearing, Raftelis will present a PowerPoint (attached) reviewing how the Water Rate Study was conducted. During the public hearing, the District must hear and consider all public comments regarding the fees, but only written protests submitted prior to the close of the 45-day written protest period may be considered when determining whether a majority protest against the imposition of the fees exist. Upon the conclusion of the public hearing, if written protests against proposed increases to the existing water service fees are not presented by a majority of property owners of the identified parcels upon which the fees are proposed to be imposed and any customer of record, the Board may proceed with imposing the proposed rate increases to the water service rates. A final count of the written protests received will be provided by staff to the Board at the conclusion of the public hearing.

If the number of written protests received for the properties served does not constitute a majority protest, staff recommends that the Board approve the 2024-2028 Water Rate Study (attached) and adopt the new water service rates and private fire protection service rates as recommended in that study.

The recommendations made in this report are supported by the members of the Community Advisory Committee.

ENVIRONMENTAL CONSIDERATIONS

CEQA does not apply to the District's adoption of these rates since the Board specifically finds the rates are for the purpose of one (1) or more of the following:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits,
- (2) Purchasing or leasing supplies, equipment, or materials,

PUBLIC HEARING AND CONSIDERATION OF THE 2024-2028 WATER RATE STUDY AND ADOPTION OF NEW WATER SERVICE RATES AND PRIVATE FIRE PROTECTION SERVICE RATES

Page 6

- (3) Meeting financial reserve needs and requirements, and/or
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

STRATEGIC PLAN CONFORMITY

The recommendations made in this report conform to Strategic Goal 2 – Fiscal Responsibility of the District’s Fiscal Year 2020-2025 Strategic Plan to conduct the 2024-2028 Water Rate and Connection Fee Study.

FINANCIAL SUMMARY

The first rate adjustment will occur in January 2024 and have further adjustments each January thereafter through January 2028.

The proposed rate adjustments and the projected additional revenue generated per year are as follows:

- January 2024 – 4.50% \$368,266
- January 2025 – 4.50% \$1,131,645
- January 2021 – 4.50% \$1,943,686
- January 2022 – 4.50% \$2,807,088
- January 2023 – 4.50% \$3,724,899

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachment

ORDINANCE NO. 07.18.23.01

**AN ORDINANCE OF THE FLORIN RESOURCE
CONSERVATION DISTRICT BOARD OF DIRECTORS
APPROVING THE 2024-2028 WATER RATE STUDY REPORT AND
ADOPTING NEW WATER SERVICE RATES AND PRIVATE
FIRE PROTECTION SERVICE RATES PRESCRIBED IN THE STUDY**

WHEREAS, the Florin Resource Conservation District (District) is a Resource Conservation District organized pursuant to Division 9 of the California Public Resources Code, Sections 9001, et seq. (Resource Conservation Law); and

WHEREAS, the District is formed for the purposes delineated in the Public Resources Code Section 9001 and all things necessary to carry out the provisions of the Resource Conservation Law and adopted District Bylaws; and

WHEREAS, Public Resource Code Section 9403.5 authorizes the District to adopt a resolution or ordinance to establish and impose water service rates and private fire protection service rates; and

WHEREAS, Article XIII D Section 6 of the California Constitution authorizes the District to establish and impose property-related fees and charges including water rates; and

WHEREAS, the District Board of Directors (Board) caused to have prepared the Elk Grove Water District 2024-2028 Water Rate Study Report, dated May 02, 2023, which recommends changes to the existing water service rates and private fire protection service rates; and

WHEREAS, pursuant to Article XIII D Section 6 of the California Constitution, the District held a public hearing on July 18, 2023, as part of a regularly scheduled meeting of its Board, during which the District gave members of the public the opportunity to make oral or written presentations to the Board on the proposed changes to the water service rates and private fire protection service rates; and

WHEREAS, the District published notice of the time and place of the July 18, 2023 public hearing, including a general explanation of the matter to be considered, at least ten days before the hearing as provided by Government Code section 6062a; and

WHEREAS, at least ten days before the public hearing, the District made data publicly available that indicates (1) the estimated cost required to provide the services for which the District proposes to levy the water service rates and private fire protection service rates and (2) the revenue sources anticipated to provide such services, all in compliance with Public Resource Code Section 9403.5; and

WHEREAS, the above-described data sets forth reasonable cost estimates for the District's provision of the water service rates and private fire protection service rates and establishes that the proceeds generated by the rates do not exceed the total of the estimated costs.

NOW, THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS HEREBY DETERMINES AND ORDAINS AS FOLLOWS:

SECTION 1. Recitals. The Board hereby adopts the foregoing recitals as true and correct and incorporates them herein by reference.

SECTION 2. Final Approval of Water Rate Study. The Elk Grove Water District 2024-2028 Water Rate Study Report dated May 02, 2023, is hereby approved.

SECTION 3. Water Service Rates. Beginning on January 01, 2024, and continuing annually thereafter on that same month and day through and including January 1, 2028, water service rates will be automatically increased according to the water service rates recommended in the “Elk Grove Water District 2024-2028 Water Rate Study Report” dated May 02, 2023 and attached as Exhibit A. The Board of Directors has the discretion to defer all or partial annual rate increases to future years when it is determined that none or not all of the recommended rate increase is required to balance the annual operating budget.

SECTION 4. Private Fire Protection Service Rates. Beginning on January 01, 2024 and continuing annually thereafter on that same month and day through and including January 01, 2028, private fire protection service rates will be automatically increased according to the private fire protection service rates recommended in the “Elk Grove Water District 2024-2028 Water Rate Study Report” dated May 02, 2023 and attached as Exhibit A. The Board has the discretion to defer all or partial annual rate increases to future years when it is determined that none or not all of the recommended rate increase is required to balance the annual operating budget.

SECTION 5. California Environmental Quality Act Compliance.

(a) Pursuant to California Public Resources Code section 21080(b)(8), the District’s adjustments to the water rates and miscellaneous water service fees and charges are not subject to the requirements of the California Environmental Quality Act. In accordance with Section 21080(b)(8), the District finds and determines that these adjustments constitute the modification of charges to meet operating expenses and for obtaining funds for capital projects necessary to provide and maintain water services within the District’s service area.

(b) District staff is hereby directed to file a Notice of Exemption with the Sacramento County Clerk within three (3) business days after adoption of this Ordinance.

SECTION 6. Certification. The Board Secretary shall certify the adoption of this Ordinance.

SECTION 7. Ordinance Effective Date. This ordinance shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 18th day of July 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Tom Nelson
Chair

ATTEST:

Stefani Phillips
Board Secretary

APPROVED AS TO FORM:

Andrew Ramos
General Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“2024-2028 WATER RATE STUDY REPORT”

[Attached behind this cover page]



**FLORIN RESOURCE CONSERVATION
DISTRICT / ELK GROVE WATER DISTRICT**

Water Rate Study

FINAL REPORT / MAY 2, 2023



May 2, 2023

Mr. Bruce Kamilos, PE
General Manager
Florin Resource Conservation District / Elk Grove Water District
9829 Waterman Rd.
Elk Grove, CA 95624

Subject: Water Rate Study - Draft

Dear Mr. Kamilos:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Water Rate Study report for the Florin Resource Conservation District / Elk Grove Water District (District). This report explains the methodologies and rationale used to develop the financial plan and rates for water service within the District's service areas that align with the requirements of Proposition 218.

The major study objectives include the following:

- Develop a financial plan for the water enterprise to ensure financial sufficiency, meet operational and maintenance (O&M) costs, maintain sufficient funding for capital refurbishment and replacement (R&R) needs, and meeting debt service requirements and bond covenant ratio;
- Conduct a cost-of-service analysis for water services;
- Develop fair and equitable water rates over a five-year period; and
- Conduct a customer impact analysis for the proposed water rates.

It has been a pleasure working with you, and we thank you and District staff for the support provided during the course of this study.

Sincerely,

A handwritten signature in dark ink that reads 'Theresa M. Jurotich'.

Theresa Jurotich, PE (KS, WA), PMP
Manager

A handwritten signature in dark ink that reads 'Charles Diamond'.

Charles Diamond
Analyst

Contents

- 1. Executive Summary 1**
 - 1.1. Background1**
 - 1.2. Process and Approach1**
 - 1.2.1. Step 1: Financial Plan and Revenue Requirement Calculation 1
 - 1.2.2. Step 2: Cost-of-Service Analysis 1
 - 1.2.3. Step 3: Rate Design and Calculation 2
 - 1.2.4. Step 4: Report Preparation and Rate Adoption..... 2
 - 1.3. Water Summary2**
 - 1.3.1. Financial Plan..... 2
 - 1.3.2. Proposed Water Rates 4
- 2. Legal Requirements and Rate Setting Methodology 6**
 - 2.1. Legal Requirements6**
 - 2.1.1. California Constitution – Article XIII D, Section 6 (Proposition 218) 6
 - 2.1.2. California Constitution Article X, Section 2 6
 - 2.2. Rate Setting Methodology7**
- 3. Financial Plan Assumptions 9**
 - 3.1. Key Financial Information9**
 - 3.2. Inflation9**
 - 3.3. Projected Growth9**
 - 3.4. Water Enterprise Reserve Policy10**
 - 3.5. Required Debt Coverage Ratio11**
- 4. Water Financial Plan 12**
 - 4.1. Revenue Requirements12**
 - 4.1.1. Revenues..... 12
 - 4.1.2. Operating Expenses..... 13
 - 4.1.3. Non-Operating Expenses 14
 - 4.1.4. Projected Capital Improvement Projects..... 14
 - 4.2. Water Financial Plan15**
 - 4.2.1. Status Quo Financial Plan 15
 - 4.2.2. Proposed Financial Plan 16

- 5. Water Cost-of-Service and Proposed Water Rates 20**
 - 5.1. Process and Approach20**
 - 5.1.1. Calculate Revenue Requirement..... 20
 - 5.1.2. Cost-of-Service Analysis 20
 - 5.1.3. Rate Design and Calculations 21
 - 5.1.4. Rate Adoption 21
 - 5.2. Cost-of-Service Calculations22**
 - 5.2.1. Revenue Requirement Determination 22
 - 5.2.2. Peaking Factors 22
 - 5.2.3. Operating and Capital Allocation 23
 - 5.2.4. Equivalent Meters 26
 - 5.2.5. Allocation of Public and Private Fire Protection Costs 26
 - 5.2.6. Unit Costs of Service..... 27
 - 5.3. Proposed Water Rates and Charges30**
- 6. Customer Impact Analysis 33**

Tables

Table 1-1: Proposed Retail Water Revenue Adjustments..... 2

Table 1-2: Current and Proposed Water Rates and Charges 5

Table 3-1: Assumed Cost Escalation Factors..... 9

Table 3-2: Number of Water Connections 10

Table 3-3: Number of Private Fire Connections 10

Table 3-4: Projected Water Use (ccf) 10

Table 4-1: Current Water Rates 12

Table 4-2: Projected Revenue from Current Charges 13

Table 4-3: Projected Other Revenue..... 13

Table 4-4: Budgeted and Projected Operating Expenses..... 14

Table 4-5: Budgeted and Projected Non-Operating Expenses 14

Table 4-6: Proposed Retail Zone Revenue Adjustments 16

Table 4-7: Proposed Financial Plan 17

Table 5-1: Annualized Revenue Requirements for FYE 2024 22

Table 5-2: Water System Peaking Factors..... 23

Table 5-3: Max Day Capacity Factor..... 23

Table 5-4: Allocation of Functions to Cost Components..... 24

Table 5-5: Allocation of Operating Expenses to Cost Components 24

Table 5-6: Allocation of Water Assets to Cost Components 25

Table 5-7: Equivalent Meters 26

Table 5-8: Equivalent Fire Meters 27

Table 5-9: Units-of-Service 28

Table 5-10: Fire Service Share of Max Day Requirements..... 28

Table 5-11: Revenue Requirement Allocation and Unit Cost Derivation..... 29

Table 5-12: Unit Costs-of-Service 29

Table 5-13: Peaking Unit Rate Calculation..... 30

Table 5-14: Monthly Service Charge Derivation 30

Table 5-15: Private Fire Protection Service Charge Derivation..... 31

Table 5-16: Proposed Water Commodity Rate..... 31

Table 5-17: Proposed 5-Year Water Rates and Charges 32

Figures

Figure 1-1: Water Operating Financial Plan	3
Figure 1-2: Estimated Water Ending Fund Balances	3
Figure 1-3: Water Capital Improvement Program Funding	4
Figure 1-4: Debt Service Coverage Ratio.....	4
Figure 4-1: Projected Capital Expenditures	15
Figure 4-2: Status Quo Water Enterprise Ending Balances (No Revenue Adjustments)	15
Figure 4-3: Water Operating Financial Plan	18
Figure 4-4: Projected Water Reserve Ending Balances	18
Figure 4-5: Debt Service Coverage Ratio.....	19
Figure 6-1: Sample Single Family Residential Monthly Water Bill Comparison, FYE 2024.....	33
Figure 6-2: Sample Non- Residential Bill Comparison, FYE 2024	34
Figure 6-3: Sample Irrigation Bill Comparison, FYE 2024	34

Appendices

- Appendix A: Water System Capital Projects
- Appendix B: O&M Line-Item Allocations

THIS PAGE INTENTIONALLY LEFT BLANK

1. Executive Summary

1.1. Background

In 2022, the Florin Resource Conservation District / Elk Grove Water District (District) engaged Raftelis to conduct a water rate study to update rates and charges for water for the fiscal years ending (FYE) 2024 – FYE 2028 that align with Proposition 218. While the District’s fiscal year is July 1 through June 30, District rates are typically effective January 1 of each fiscal year.

The major study objectives include the following:

- Develop a financial plan for the water enterprise to ensure financial sufficiency, meet operational and maintenance (O&M) costs, maintain sufficient funding for capital refurbishment and replacement (R&R) needs, and meet debt service and bond covenant ratio requirements;
- Conduct a cost-of-service analysis for water services;
- Develop fair and equitable water rates over a five-year period; and
- Conduct a customer impact analysis for the proposed water rates.

1.2. Process and Approach

The study is informed by the District's policy objectives, the current water system rates, and the legal requirements in California (namely, Proposition 218). The resulting cost-of-service analysis and rate design process considers all these factors and follows four key steps, outlined below, to derive proposed rates that fulfill the District's policy objectives, meet industry standards, and align with Proposition 218.

1.2.1. Step 1: Financial Plan and Revenue Requirement Calculation

The rate-making process begins by developing a multi-year financial plan, which is used to determine the revenue adjustment and for determining the revenue requirement for the base year, also known as the test year or rate-setting year. The base year for this study is FYE 2024 (July 1, 2023 to June 30, 2024). The revenue requirement should sufficiently fund the utility's O&M costs, annual debt service, capital project expenses, and reserve funding as projected in the District's budgets.

1.2.2. Step 2: Cost-of-Service Analysis

The annual cost of providing the utility service, or the revenue requirement, is then distributed among customer classes commensurate with their use and burden on the system. A cost-of-service analysis involves the following steps:

- Functionalize costs – the O&M expense budget is categorized into functions such as supply, treatment, pumping, transmission and distribution (T&D), etc.
- Allocate to cost components – the functionalized costs are then allocated to system cost components such as supply, delivery, peaking, conservation, etc.
- Develop unit costs – unit costs for each cost component are determined using appropriate units-of-service for each.
- Distribute cost components – the cost components are allocated to each customer class using the unit costs in proportion to their demand and burden on the system.

A cost-of-service analysis considers both the average water demand and peak demand. Peaking costs are incurred during maximum consumption periods, most often coinciding with summertime irrigation use. Additional capacity-related costs are associated with designing, constructing, operating, maintaining, replacing, and refurbishing facilities to meet peak demand. These peaking costs must be allocated to the customer classes whose water demand patterns generate additional costs for the utility, proportionate to their burden on the peaking-related facilities.

1.2.3. Step 3: Rate Design and Calculation

After allocating the revenue requirement for each cost component to its corresponding customer classes, the rate design and calculation process can begin. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support the District's policy objectives while adhering to cost-of-service principles. Rates are not only a financial instrument but act as a public information tool in communicating policy objectives to customers. The rate design process also includes a rate impact analysis for all customer classes and a sample customer bill impact analysis.

1.2.4. Step 4: Report Preparation and Rate Adoption

The final step in a cost-of-service and rate study is to develop the report in preparation for the rate adoption process. The report documents the rate study results and presents the methodologies, rationale, justifications, and calculations utilized to derive the proposed rates. A thorough and methodical report serves three important functions: fully deriving the rates, showing the nexus to costs, and communicating the rate adoption process to customers and other important stakeholders.

1.3. Water Summary

1.3.1. Financial Plan

Table 1-1 displays the proposed water revenue adjustments over the study period (FYE 2024 to FYE 2028). The current financial plan shows that revenue adjustments are required to adequately fund all operating expenses, debt coverage requirements, and achieve reserve policy targets.

Table 1-1: Proposed Retail Water Revenue Adjustments

Fiscal Year	Effective Month	Proposed Revenue Adjustment
2024	January	4.5%
2025	January	4.5%
2026	January	4.5%
2027	January	4.5%
2028	January	4.5%

Figure 1-1 illustrates the water operating financial plan for FYE 2023 – FYE 2028. Revenues from proposed rates are sufficient to recover O&M costs (including water supply), capital improvements, and debt service while maintaining reserves that will be drawn by the District to fund future capital improvement needs.

Figure 1-1: Water Operating Financial Plan

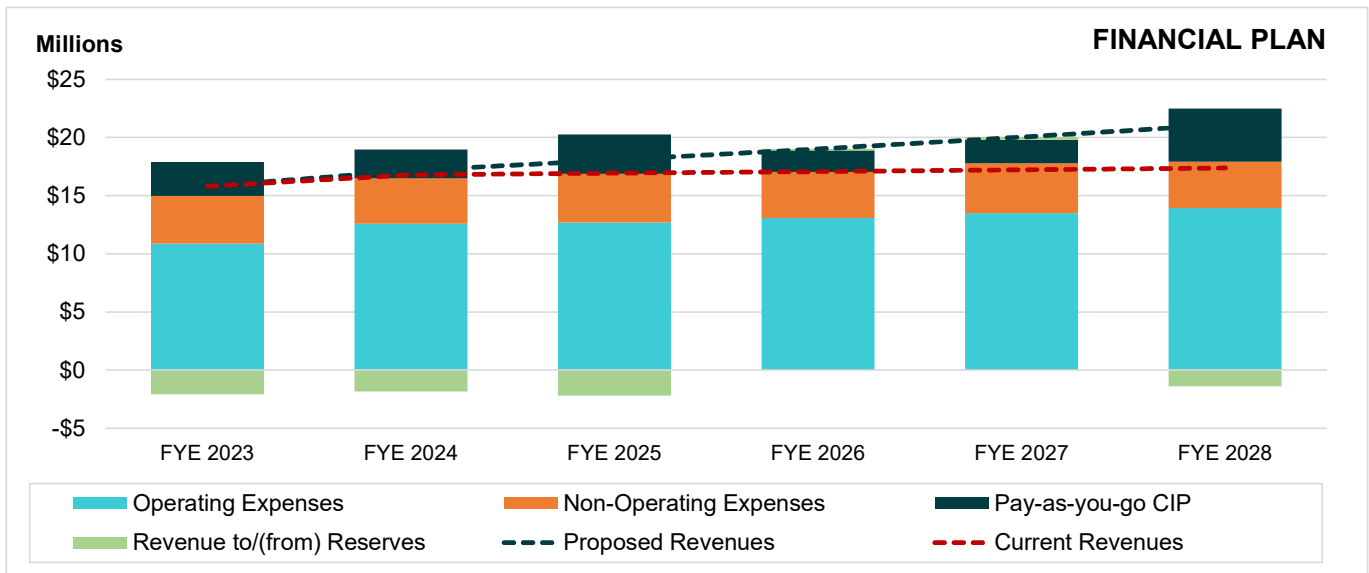


Figure 1-2 illustrates the ending reserve balances and targeted balances for FYE 2023 – FYE 2028. Ending reserve balances show a planned draw upon reserves to accomplish planned capital improvements.

Figure 1-2: Estimated Water Ending Fund Balances

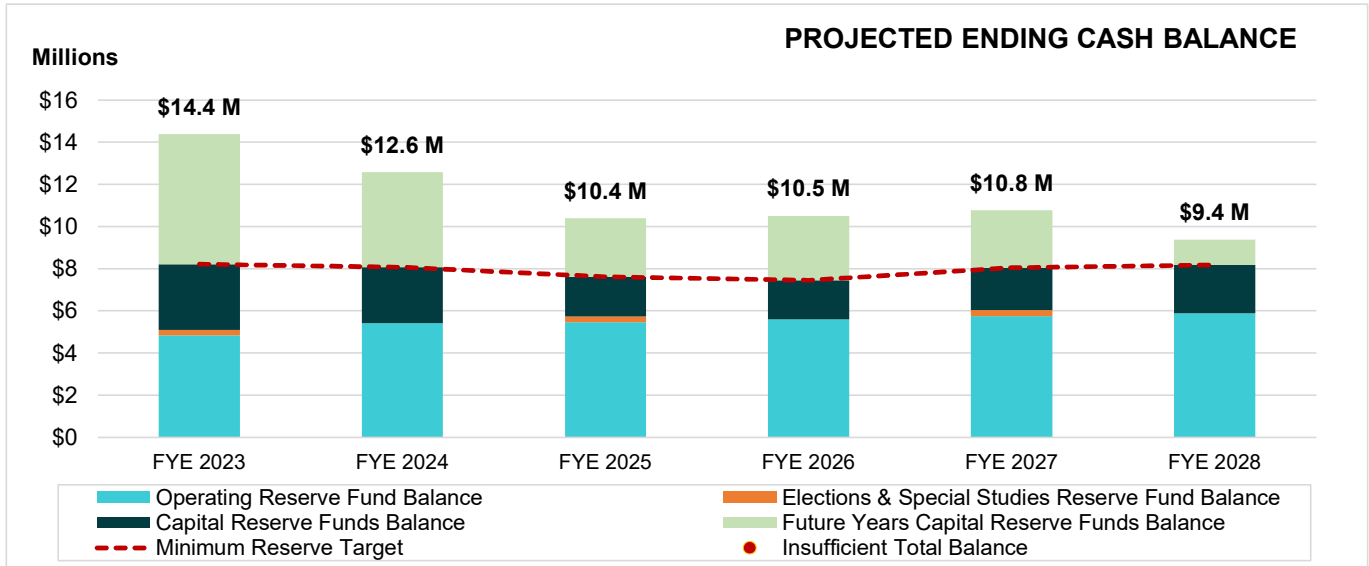


Figure 1-3 illustrates the Water Enterprise’s scheduled capital improvement project expenses and funding sources. The District anticipates funding capital projects in the study period with a combination of grant proceeds and rate-based revenues (i.e., pay-as-you-go).

Figure 1-3: Water Capital Improvement Program Funding

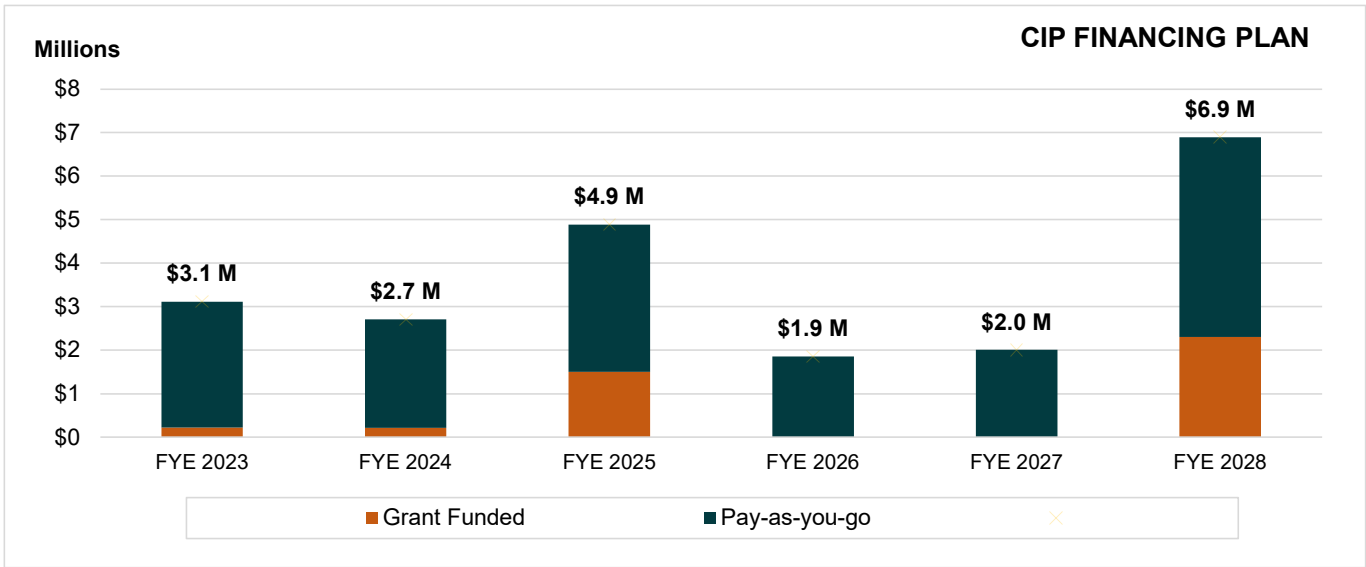
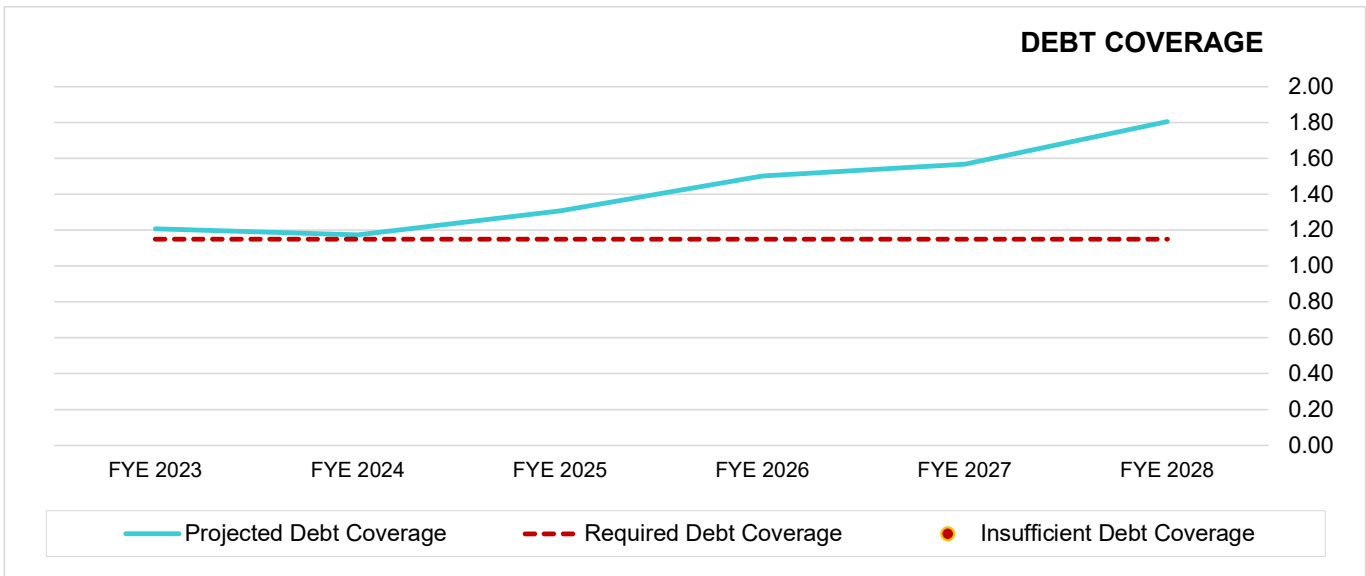


Figure 1-4 shows the projected debt service coverage ratio versus the required ratio. The proposed financial plan is projected to keep the ratio above the required level.

Figure 1-4: Debt Service Coverage Ratio



1.3.2. Proposed Water Rates

Table 1-2 shows the current and proposed monthly service charge, commodity rate, and monthly capital charge. The rates shown in FYE 2024 are set using a cost-of-service analysis and overall, recover 4.5% more revenue than the prior year. Future years are escalated by the revenue adjustments shown.

Table 1-2: Current and Proposed Water Rates and Charges

Proposed Rates	Current	Proposed	Proposed	Proposed	Proposed	Proposed
Proposed Water Rate Schedule	2023	2024	2025	2026	2027	2028
Proposed Revenue Adjustment	N/A	cost-of-service	4.5%	4.5%	4.5%	4.5%
Monthly Fixed Charges (by Meter Size)						
1"	\$62.37	\$61.49	\$64.26	\$67.16	\$70.19	\$73.35
1.5"	\$87.79	\$111.92	\$116.96	\$122.23	\$127.74	\$133.49
2"	\$118.29	\$172.44	\$180.20	\$188.31	\$196.79	\$205.65
3"	\$189.48	\$364.08	\$380.47	\$397.60	\$415.50	\$434.20
4"	\$291.14	\$616.23	\$643.97	\$672.95	\$703.24	\$734.89
6"	\$545.33	\$1,372.69	\$1,434.47	\$1,499.03	\$1,566.49	\$1,636.99
8"	\$850.36	\$1,624.85	\$1,697.97	\$1,774.38	\$1,854.23	\$1,937.68
10"	\$1,206.22	\$4,247.24	\$4,438.37	\$4,638.10	\$4,846.82	\$5,064.93
Commodity Charges (per CCF)						
Residential						
Tier 1 (0-30 ccf/mo)	\$1.96	\$2.15	\$2.25	\$2.36	\$2.47	\$2.59
Tier 2 (30.01+ ccf/mo)	\$4.12	\$3.19	\$3.34	\$3.50	\$3.66	\$3.83
Non-Residential	\$1.83	\$2.14	\$2.24	\$2.35	\$2.46	\$2.58
Irrigation	\$2.32	\$2.97	\$3.11	\$3.25	\$3.40	\$3.56
Private Fire Protection Service Monthly Fixed Charges (by Connection Size)						
2"	\$3.08	\$3.72	\$3.89	\$4.07	\$4.26	\$4.46
3"	\$8.96	\$10.79	\$11.28	\$11.79	\$12.33	\$12.89
4"	\$19.08	\$22.99	\$24.03	\$25.12	\$26.26	\$27.45
6"	\$55.43	\$66.77	\$69.78	\$72.93	\$76.22	\$79.65
8"	\$118.12	\$142.29	\$148.70	\$155.40	\$162.40	\$169.71
10"	\$212.42	\$255.89	\$267.41	\$279.45	\$292.03	\$305.18
12"	\$343.10	\$413.32	\$431.92	\$451.36	\$471.68	\$492.91

2. Legal Requirements and Rate Setting Methodology

2.1. Legal Requirements¹

2.1.1. California Constitution – Article XIII D, Section 6 (Proposition 218)

Proposition 218, reflected in the California Constitution as Article XIII D, was enacted in 1996 to ensure that rates and fees are reasonable and proportional to the cost of providing service. The principal requirements, as they relate to public water service, are as follows:

1. A property-related charge (such as water rates) imposed by a public agency on a parcel shall not exceed the costs required to provide the property-related service.
2. Revenues derived by the charge shall not be used for any purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. A written notice of the proposed charge shall be mailed to both the customer of record and owner of record of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge.

As stated in the American Water Works Association's (AWWA) *Principles of Water Rates, Fees, and Charges: Manual of Water Supply Practices - M1 Seventh Edition* (Manual M1), "water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers." Raftelis follows industry-standard rate-setting methodologies set forth by the AWWA Manual M1 to ensure this study meets Proposition 218 requirements and establishes rates that do not exceed the proportionate cost of providing water services on a parcel basis. The methodology in the Manual M1 is a nationally recognized industry rate-making standard that courts have recognized as consistent with Proposition 218.

2.1.2. California Constitution Article X, Section 2

California Constitution Article X, Section 2 mandates that water resources be put to beneficial use and that the waste or unreasonable use of water be prevented through conservation. Section 106 of the Water Code declares that the highest priority use of water is for domestic purposes, with irrigation secondary. Thus, the management of water resources is part of the property-related service provided by public water suppliers to ensure the resource is available over time.

Raftelis does not practice law, nor does it provide legal advice. The above discussion means to provide a general review of apparent state institutional constraints and is labeled "legal framework" for literary convenience only. The District should consult with its counsel for clarification and/or specific review of any of the above or other matters.

Two Constitutional provisions govern and impact water rates — Article X, Section 2 (“Article X”) and Article XIII D, Section 6 (“Article XIII D”). Article X was added to the California Constitution in 1928 as former Article XIV, Section 3, and amended in 1976. Article X provides that:

“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.”

In November 1996, California voters approved Proposition 218, which amended the California Constitution by adding Article XIII C and Article XIII D. Article XIII D placed substantive limitations on the use of the revenue collected from property-related fees and on the amount of the fee that may be imposed on each parcel. Additionally, it established procedural requirements for imposing new, or increasing existing, property-related fees. Water service fees are property-related fees.

In accordance with these provisions, a property-related fee must meet all of the following requirements: (1) revenues derived from the fee must not exceed the funds required to provide the property-related service; (2) revenues from the fee must not be used for any purpose other than that for which the fee is imposed; (3) the amount of a fee imposed upon any parcel or person as an incident of property ownership must not exceed the proportional cost of the service attributable to the parcel; (4) the fee may not be imposed for a service, unless the service is actually used by, or immediately available to, the owner of the property subject to the fee. A fee based on potential or future use of a service is not permitted, and stand-by charges must be classified as assessments subject to the ballot protest and proportionality requirements for assessments; (5) no fee may be imposed for general governmental services, such as police, fire, ambulance, or libraries, where the service is available to the public in substantially the same manner as it is to property owners. The five substantive requirements in Article XIII D are structured to place limitations on (1) the use of the revenue collected from property-related fees and (2) the allocation of costs recovered by such fees to ensure that they are proportionate to the cost of providing the service attributable to each parcel.

2.2. Rate Setting Methodology

This study was conducted using industry-standard principles outlined by the AWWA Manual M1. The process and approach Raftelis utilized in the study to determine water rates is informed by the District’s policy objectives, the current water system and rates, and the legal requirements in California (namely, Proposition 218). The resulting financial plan, cost-of-service analyses, and rate design processes follow four key steps, outlined below, to determine proposed rates that fulfill the District’s objectives, meet industry standards, and align with relevant regulations.

1. **Financial Plan and Revenue Requirement Determination:** The first study step is to develop a multi-year financial plan that projects the District’s revenues, expenses, capital project financing, annual debt service, and reserve funding. The financial plan is used to determine 1) the revenue adjustment, which allows the District to recover adequate revenues to fund expenses and reserves, and 2) the revenue requirement for the test year, also known as the rate-setting year. The test year for this study is FYE 2024. The revenue requirement should sufficiently fund the District’s operating costs, annual debt service (including coverage requirements), capital expenditures, and reserve funding as projected based on the annual budget estimates.

2. **Cost-of-Service Analysis:** The annual cost of providing water service, or the revenue requirement, is then distributed to customer classes and tiers commensurate with their use of and burden on the water system. A cost-of-service analysis involves the following steps:
 - » Functionalize costs – the different components of the revenue requirement are categorized into functions such as supply, transmission, storage, customer service, etc.
 - » Allocate to cost components – the functionalized costs are then allocated to cost components such as supply, base delivery, peaking, etc.
 - » Develop unit costs – unit costs for each cost component are determined using units-of-service, such as total use, peaking units, equivalent meters, number of customers, etc., for each component.
 - » Distribute cost components – the cost components are allocated to each customer class and tier using the unit costs in proportion to their demand and burden on the system.

A water cost-of-service analysis considers both the average water demand and peak demand. Peaking costs are incurred during periods of peak consumption, most often coinciding with summer water use. Additional capacity-related costs are incurred associated with designing, constructing, operating, maintaining, and replacing facilities to meet peak demand. Patterns of use impose additional costs on a water utility and are used to determine the cost burden on peaking-related facilities.

3. **Rate Design:** After allocating the revenue requirement to each customer class, the project team designs and calculates rates. Rates do more than simply recover costs; within the legal framework and industry standards, properly designed rates should support and optimize the District's policy objectives. Rates also act as a public information tool in communicating these policy objectives to customers. This process also includes a rate impact analysis and sample customer bill impacts.
4. **Administrative Record Preparation and Rate Adoption:** The final step in a rate study is to develop the administrative record in conjunction with the rate adoption process. This report serves as the administrative record for this study. The administrative record documents the study results and presents the methodologies, rationale, justifications, and calculations used to determine the proposed rates. A thorough and methodological administrative record serves two important functions: maintaining defensibility in a stringent legal environment and communicating the rationale for revenue adjustments and proposed rates to customers and key stakeholders.

Values shown in report tables and figures are rounded to the digit shown. Therefore, any manual reproduction of the calculations shown may not match the precise results displayed in the report.

3. Financial Plan Assumptions

3.1. Key Financial Information

During the study, Raftelis and District staff completed a detailed review of projected revenues, operating expenses, and capital expenditures over the study period. The financial plan is a comprehensive spreadsheet model of the District's revenues, O&M expenses, capital expenditures, and reserves for the study period.

This study utilized the following financial documents:

- Operating Budget for Fiscal Year (FYE) 2023
- Reserve Policy provided by District Staff
- Capital Improvement Plan for the study period provided by the District
- Financial Information (e.g., outstanding debt, reserve levels, etc.) as of June 30, 2022 provided by the District

3.2. Inflation

Various types of assumptions and inputs are incorporated into this study based on discussions and direction from District staff. These include the projected number of accounts and annual growth rates in water consumption for different customer classes, inflation factors, and other assumptions that are incorporated into the financial plan. The inflation factor assumptions discussed with District staff and used for cost escalation are presented in Table 3-1.

Table 3-1: Assumed Cost Escalation Factors

Key Factors	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
General	5.0%	4.0%	3.0%	3.0%	3.0%
Salary	5.0%	4.0%	3.0%	3.0%	3.0%
Benefits	5.0%	4.0%	3.0%	3.0%	3.0%
Water Supply	5.0%	4.0%	3.0%	3.0%	3.0%
Utilities	5.0%	4.0%	3.0%	3.0%	3.0%
Chemicals	5.0%	4.0%	3.0%	3.0%	3.0%

Interest income is estimated to be 0.75 percent. A conservative interest rate is used in the study to project interest earnings on reserve funds.

3.3. Projected Growth

The District assumes that there is 1.5 percent per year growth in accounts for the study period, but that customers will continue to conserve water, resulting in a decrease in average demand per account. Table 3-2 shows the number of water connections used in the analysis. Table 3-3 shows the projected number of private fire connections over the study period. Table 3-4 show projected water use in hundred cubic feet (ccf) and acre-feet (AF).

Table 3-2: Number of Water Connections

Meter Size	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
1"	12,676	12,866	13,060	13,256	13,455
1.5"	102	104	106	108	110
2"	264	268	272	276	280
3"	22	22	22	22	22
4"	17	17	17	17	17
6"	5	5	5	5	5
8"	0	0	0	0	0
10"	0	0	0	0	0
Total	13,086	13,282	13,482	13,684	13,889

Table 3-3: Number of Private Fire Connections

Connection Size	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
2"	2	2	2	2	2
3"	2	2	2	2	2
4"	34	34	34	34	34
6"	156	156	156	156	156
8"	24	24	24	24	24
10"	12	12	12	12	12
12"	0	0	0	0	0
Total	230	230	230	230	230

Table 3-4: Projected Water Use (ccf)

Customer Class/Tier	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Residential Water Use						
Tier 1 (0-30 ccf/mo)	1,732,438	1,952,603	1,952,529	1,952,457	1,952,387	1,952,320
Tier 2 (30.01+ ccf/mo)	192,493	216,956	216,948	216,940	216,932	216,924
Subtotal Residential	1,924,931	2,169,559	2,169,476	2,169,397	2,169,319	2,169,245
Non-Residential Water Use	300,062	322,176	322,216	322,255	322,294	322,330
Irrigation Water Use	308,643	331,389	331,431	331,471	331,511	331,549
Total (CCF)	2,533,635	2,823,124	2,823,124	2,823,124	2,823,124	2,823,124
Total (AF)	5,816	6,481	6,481	6,481	6,481	6,481

3.4. Water Enterprise Reserve Policy

The District currently has an adopted reserve policy for its water enterprise. The operating reserve is currently set to a minimum of 120 days of budgeted operating expenses including debt service. Capital reserves are set at 100 percent of the annual capital improvement program. Additionally, an elections and special studies reserve is funded based on Board action in accordance with the annual budget. For the purposes of the financial plan, the elections and special studies reserve target is set equal to annual elections costs.

3.5. Required Debt Coverage Ratio

The District's current bonds have a debt coverage requirement of 115 percent of the net revenues (i.e., revenues less operating and maintenance costs). This means that net revenues must be at least 1.15 times the annual debt service.

4. Water Financial Plan

4.1. Revenue Requirements

This section discusses projected revenues, O&M expenses, and revenue adjustments to ensure the fiscal sustainability and solvency of the water enterprise.

4.1.1. Revenues

The District’s current water rates were last updated in January 2023. The rates consist of two distinct components: a Monthly Service Charge that varies by meter size and a Commodity Rate. The commodity rate for residential customers has two tiers while the commodity rates are uniform for non-residential and irrigation customers². Table 4-1 shows the District’s current water rates.

Table 4-1: Current Water Rates

Effective Date	Jan. 1, 2023
Fixed Charge, \$/mo	
1"	\$62.37
1.5"	\$87.79
2"	\$118.29
3"	\$189.48
4"	\$291.14
6"	\$545.33
8"	\$850.36
10"	\$1,206.22
Commodity Charge, \$/ccf	
Residential	
Tier 1, 0 - 30 ccf	1.96
Tier 2, > 30 ccf	4.12
Non-Residential	1.83
Irrigation	2.32
Private Fire Protection Service	
Connection Size	
2"	\$3.08
3"	\$8.96
4"	\$19.08
6"	\$55.43
8"	\$118.12
10"	\$212.42
12"	\$343.10

² The commodity rate is shown on a \$/ccf basis. 1 ccf = 100 cubic feet = 748 gallons of water.

The fixed charge revenue for each meter is calculated by multiplying the fixed charge for a meter size with the number of connections for that meter size and then multiplying by 12 monthly billing periods per year. The residential commodity rate revenue is calculated by multiplying total use, up to 30 ccf, by the Tier 1 commodity rate and any use over 30 ccf in a month by the Tier 2 commodity rate. The non-residential and irrigation commodity rate revenue is calculated by multiplying total usage by the respective commodity rate. The monthly private fire protection revenue for each connection size is calculated by multiplying the private fire protection charge for a connection size by the number of connections at that size and then multiplying by 12 monthly billing periods per year. The projected and calculated revenues are shown in Table 4-2.

Table 4-2: Projected Revenue from Current Charges

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Fixed	\$10,111,558	\$10,261,547	\$10,414,529	\$10,569,008	\$10,725,732
Commodity	\$6,079,364	\$6,079,356	\$6,079,348	\$6,079,341	\$6,079,334
Private Fire	\$176,446	\$176,446	\$176,446	\$176,446	\$176,446
Total	\$16,367,368	\$16,517,349	\$16,670,323	\$16,824,795	\$16,981,512

In addition to revenues produced by water rates, the enterprise receives other revenues from different sources such as interest income, miscellaneous fees, and other sources. Table 4-3 outlines the other miscellaneous revenues for District over the study period.

Table 4-3: Projected Other Revenue

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Misc. Fees	\$319,000	\$319,000	\$319,000	\$319,000	\$319,000
Other	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Interest	\$100,771	\$85,813	\$78,097	\$79,513	\$75,279
Total	\$428,771	\$413,813	\$406,097	\$407,513	\$403,279

4.1.2. Operating Expenses

4.1.2.1. Water Supply Costs

The District has two sources of water supply – (1) local groundwater and (2) treated wholesale water from the Sacramento County Water Agency (SCWA). Groundwater meets about 60 percent of the District’s needs. Purchased water costs are estimated to range from \$4.0 million to \$4.6 million per year between FYE 2024 and FYE 2028.

4.1.2.2. Water Operating Expenses

The inflation factors from Table 3-1 were used to inflate the District’s FYE 2023 budget to project future operating costs. Raftelis worked closely with District staff to identify any non-recurring costs and other anticipated expenses for the study period. Table 4-4 summarizes the budgeted and projected operating expenses for the water enterprise during the study period.

Table 4-4: Budgeted and Projected Operating Expenses

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Salaries & Benefits	\$5,296,924	\$5,508,801	\$5,674,065	\$5,844,286	\$6,019,615
Seminars, Conventions and Travel	\$42,413	\$44,109	\$45,432	\$46,795	\$48,199
Office & Operational	\$1,979,034	\$1,642,196	\$1,691,462	\$1,742,205	\$1,794,472
Purchased Water	\$4,042,555	\$4,204,257	\$4,330,384	\$4,460,296	\$4,594,105
Outside Services	\$1,130,884	\$1,176,119	\$1,211,403	\$1,247,745	\$1,285,177
Equipment, Rent, Taxes and Utilities	\$567,570	\$590,273	\$607,981	\$626,220	\$645,007
Less Capitalized Labor	(\$459,089)	(\$459,089)	(\$459,089)	(\$459,089)	(\$459,089)
Total	\$12,600,289	\$12,706,665	\$13,101,637	\$13,508,459	\$13,927,485

4.1.3. Non-Operating Expenses

Table 4-5 summarizes the budgeted and projected non-operating expenses for the water enterprise during the study period. Non-operating expenses include existing debt service (principal and interest) associated with the District's outstanding 2014 Series A Bonds and 2016 Series A Bonds, as well as election costs incurred every other year during District elections.

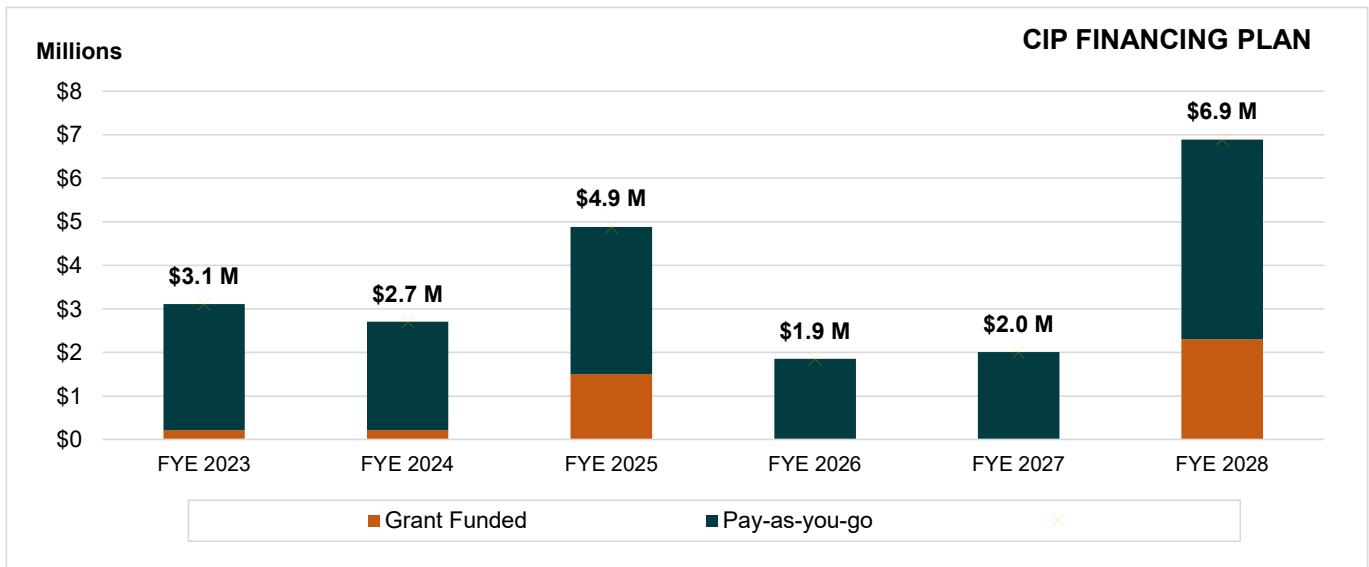
Table 4-5: Budgeted and Projected Non-Operating Expenses

	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Debt Service	\$3,886,994	\$3,888,029	\$3,941,503	\$3,981,047	\$3,977,210
Election Costs	\$0	\$273,000	\$0	\$289,626	\$0
Total	\$3,886,994	\$4,161,029	\$3,941,503	\$4,270,673	\$3,977,210

4.1.4. Projected Capital Improvement Projects

Figure 4-1 shows the District's water system capital projects (a full list of projects and costs can be found in Appendix A). The capital project costs for future years are determined by using the programmed/budgeted costs and inflating the value by the capital cost inflation factor shown in Table 3-1. The District plans to fund projects with a mix of grant funding and pay-as-you-go from rates and reserves. Capital project costs and available American Rescue Plan Act grant funding are based on the Districts' adopted Capital Improvement Program for FYE 2023 – FYE 2027. However, additional project costs for SCADA upgrades, advanced metering infrastructure (AMI), and well replacement were added per direction from District staff to account for anticipated capital needs in addition to the adopted Capital Improvement Program. It is assumed that 50 percent of AMI and well replacement costs will be grant funded.

Figure 4-1: Projected Capital Expenditures

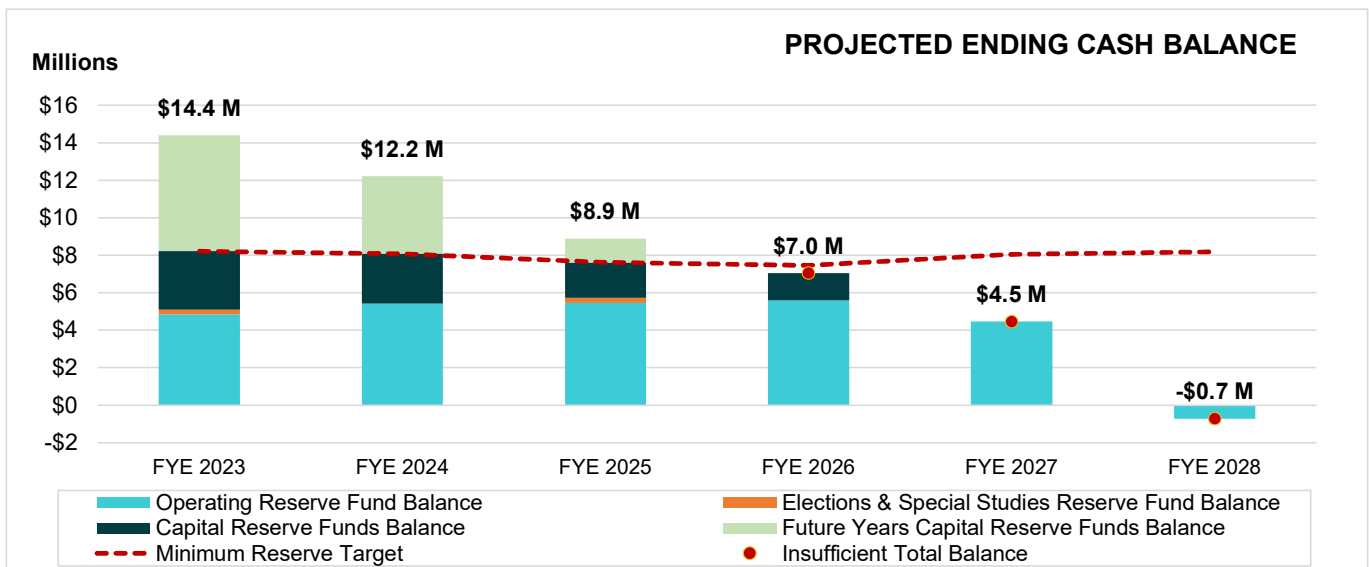


4.2. Water Financial Plan

4.2.1. Status Quo Financial Plan

Figure 4-2 displays the projected ending balances of the District’s water enterprise’s cash balance under current rates for FYE 2023 – FYE 2028. All projections are based upon the District’s current rate structure and do not include rate adjustments. The figure incorporates the data shown in Table 4-2 through Table 4-6 and Figure 4-1. Under the “status-quo” scenario, revenues generated from current rates and other miscellaneous revenues are inadequate to sufficiently recover operating and capital expenses of the utility, as shown by decreasing fund balances. By the end of FYE 2028, the ending balance is projected to be negative. In short, the District is unable to maintain fiscal sustainability under the current rates.

Figure 4-2: Status Quo Water Enterprise Ending Balances (No Revenue Adjustments)



4.2.2. Proposed Financial Plan

Table 4-6 shows the proposed revenue adjustments to meet the target reserve requirement and maintain financial sufficiency. These revenue adjustments were based on discussions with District Staff, the Community Advisory Committee (consisting of ten District customers), and the Board.

Table 4-6: Proposed Retail Zone Revenue Adjustments

Fiscal Year	Effective Month	Proposed Revenue Adjustment
2024	January	4.5%
2025	January	4.5%
2026	January	4.5%
2027	January	4.5%
2028	January	4.5%

Table 4-7 shows the financial plan with the proposed revenue adjustments shown above. The District’s reserves are projected to remain above the minimum operating reserve target.

Table 4-7: Proposed Financial Plan

Description	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
REVENUE						
Operating Revenue						
Rate Revenue from Current Rates	\$15,452,528	\$16,367,368	\$16,517,349	\$16,670,323	\$16,824,795	\$16,981,512
Proposed Revenue Adjustments						
	Revenue Adjustment	Month Effective	Months Effective			
Fiscal Year						
FYE 2024	4.50%	January	6	\$368,266	\$743,281	\$750,165
FYE 2025	4.50%	January	6		\$783,922	\$791,186
FYE 2026	4.50%	January	6		\$409,599	\$826,789
FYE 2027	4.50%	January	6			\$431,997
FYE 2028	4.50%	January	6			\$455,642
Total Revenue Adjustments	\$0	\$368,266	\$1,131,645	\$1,943,686	\$2,807,088	\$3,724,899
Rate Revenue (including Revenue Adjustments)	\$15,452,528	\$16,735,634	\$17,648,993	\$18,614,009	\$19,631,883	\$20,706,411
Miscellaneous Fees	\$319,000	\$319,000	\$319,000	\$319,000	\$319,000	\$319,000
Other	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Total Operating Revenue	\$15,780,528	\$17,063,634	\$17,976,993	\$18,942,009	\$19,959,883	\$21,034,411
Non-Operating Revenue						
Capital Grants	\$221,000	\$215,000	\$1,500,000	\$0	\$0	\$2,300,000
Interest Earned	\$25,000	\$100,771	\$85,813	\$78,097	\$79,513	\$75,279
Total Non-Operating Revenue	\$246,000	\$315,771	\$1,585,813	\$78,097	\$79,513	\$2,375,279
TOTAL REVENUE	\$16,026,528	\$17,379,405	\$19,562,806	\$19,020,105	\$20,039,396	\$23,409,690
OPERATING & NON-OPERATING EXPENSES						
Operating Expenses						
Salaries & Benefits	\$4,847,546	\$5,296,924	\$5,508,801	\$5,674,065	\$5,844,286	\$6,019,615
Seminars, Conventions and Travel	\$40,393	\$42,413	\$44,109	\$45,432	\$46,795	\$48,199
Office & Operational	\$1,402,320	\$1,979,034	\$1,642,196	\$1,691,462	\$1,742,205	\$1,794,472
Purchased Water	\$3,455,261	\$4,042,555	\$4,204,257	\$4,330,384	\$4,460,296	\$4,594,105
Outside Services	\$1,077,032	\$1,130,884	\$1,176,119	\$1,211,403	\$1,247,745	\$1,285,177
Equipment, Rent, Taxes and Utilities	\$499,674	\$567,570	\$590,273	\$607,981	\$626,220	\$645,007
Less Capitalized Labor	(\$459,089)	(\$459,089)	(\$459,089)	(\$459,089)	(\$459,089)	(\$459,089)
Total Operating Expenses	\$10,863,137	\$12,600,289	\$12,706,665	\$13,101,637	\$13,508,459	\$13,927,485
Non-Operating Expenses						
Debt Service (Principal + Interest Payments)	\$3,883,204	\$3,886,994	\$3,888,029	\$3,941,503	\$3,981,047	\$3,977,210
Election Costs	\$250,000	\$0	\$273,000	\$0	\$289,626	\$0
Total Non-Operating Expenses	\$4,133,204	\$3,886,994	\$4,161,029	\$3,941,503	\$4,270,673	\$3,977,210
TOTAL OPERATING & NON-OPERATING EXPENSES	\$14,996,340	\$16,487,283	\$16,867,693	\$17,043,140	\$17,779,132	\$17,904,695
NET CASH FLOW (excl. CIP)	\$1,030,188	\$892,121	\$2,695,113	\$1,976,966	\$2,260,265	\$5,504,995
CIP EXPENDITURES						
Grant Funded	\$221,000	\$215,000	\$1,500,000	\$0	\$0	\$2,300,000
Pay-as-you-go	\$2,893,000	\$2,490,450	\$3,385,481	\$1,852,000	\$2,006,000	\$4,592,557
TOTAL CIP EXPENDITURES	\$3,114,000	\$2,705,450	\$4,885,481	\$1,852,000	\$2,006,000	\$6,892,557
NET CASH FLOW	(\$2,083,812)	(\$1,813,329)	(\$2,190,368)	\$124,966	\$254,265	(\$1,387,563)
DEBT COVERAGE						
Projected Debt Coverage	1.21	1.17	1.31	1.50	1.57	1.81
Required Debt Coverage	1.15	1.15	1.15	1.15	1.15	1.15
CASH BALANCE						
Beginning Balance	\$16,476,954	\$14,393,142	\$12,579,813	\$10,389,445	\$10,514,410	\$10,768,675
Net Cash Change	(\$2,083,812)	(\$1,813,329)	(\$2,190,368)	\$124,966	\$254,265	(\$1,387,563)
ENDING BALANCE	\$14,393,142	\$12,579,813	\$10,389,445	\$10,514,410	\$10,768,675	\$9,381,113
TARGET MINIMUM RESERVE	\$8,212,112	\$8,075,927	\$7,614,271	\$7,455,224	\$8,045,600	\$8,179,033

Figure 4-3 and Figure 4-4 show the District’s financial plan and reserve balances in graphical format. The proposed financial plan demonstrates a plan to maintain sufficient reserve levels to meet or exceed the minimum target in through FYE 2028.

Figure 4-3: Water Operating Financial Plan

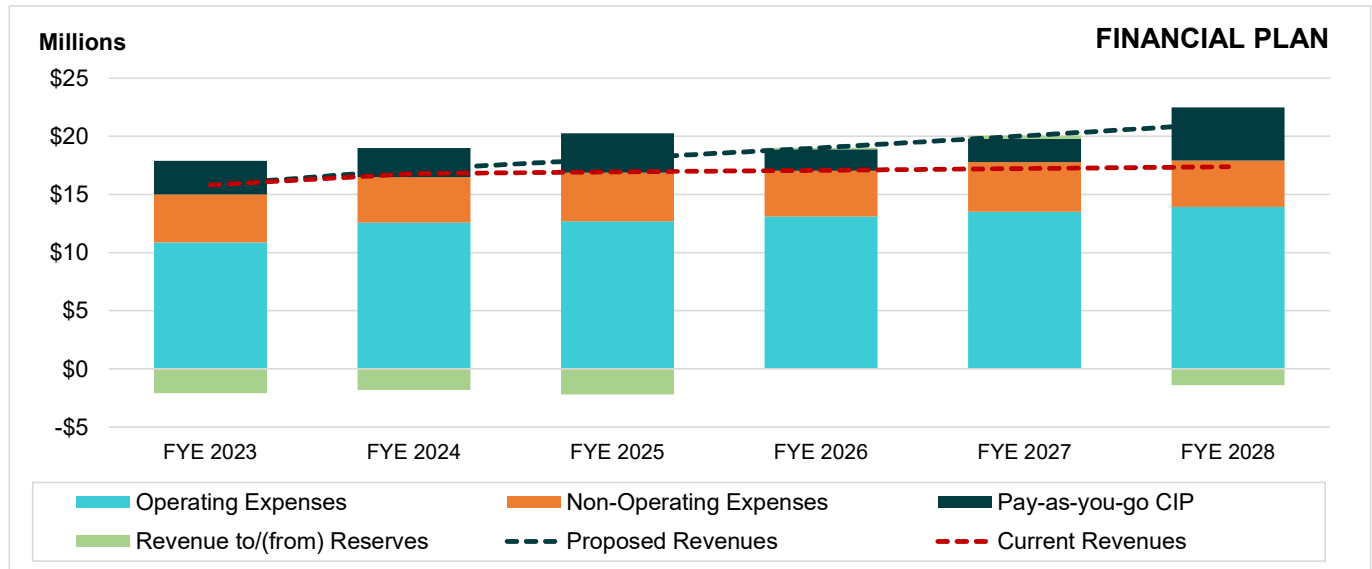


Figure 4-4: Projected Water Reserve Ending Balances

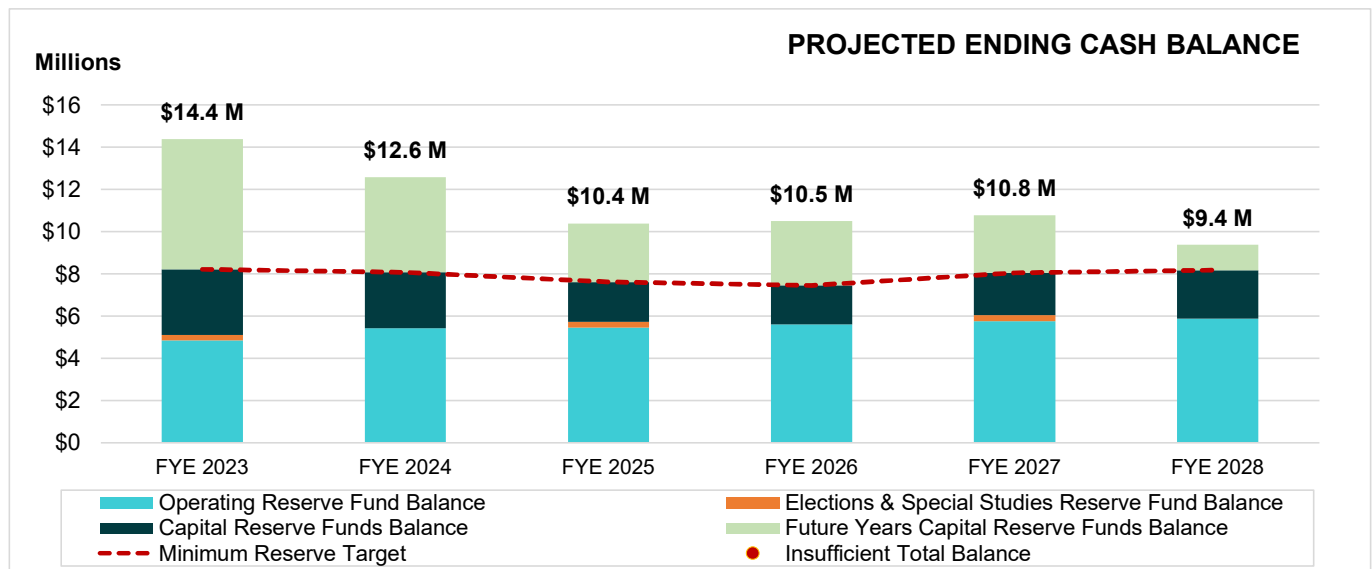
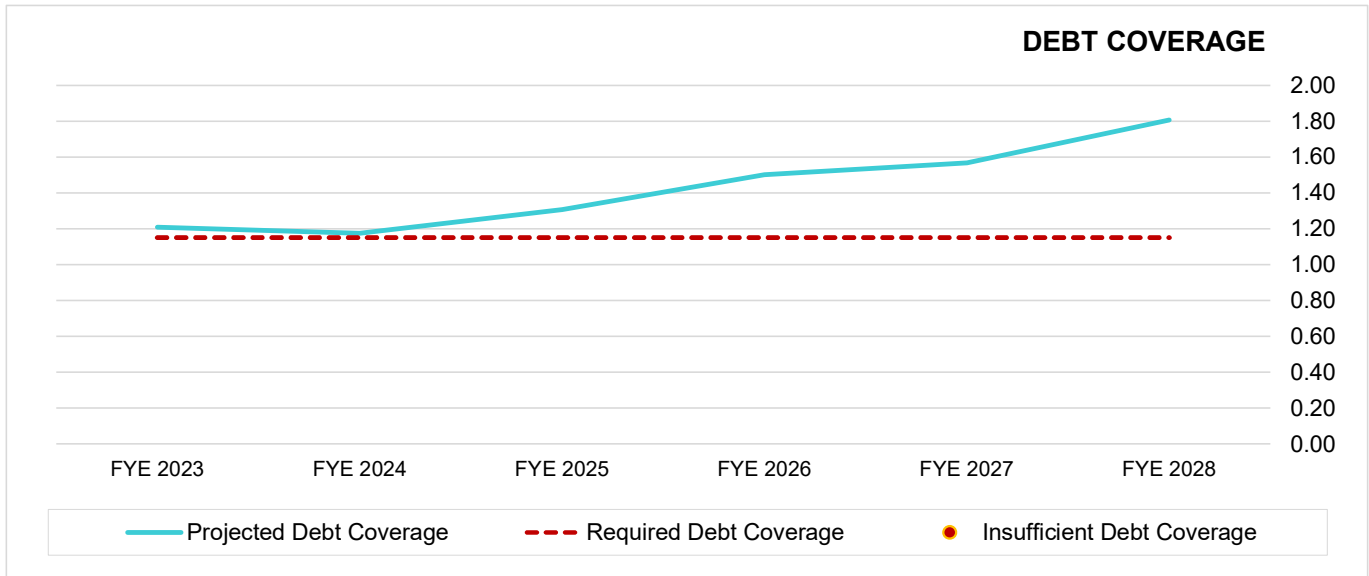


Figure 4-5 shows the projected debt service coverage ratio versus the required ratio. The proposed financial plan is projected to keep the ratio above the required level.

Figure 4-5: Debt Service Coverage Ratio



5. Water Cost-of-Service and Proposed Water Rates

5.1. Process and Approach

This section describes the methodology of allocating costs equitably to customers. This is intended to ensure that customers pay their fair share, proportional to the cost of serving them.

As stated in the AWWA Manual M1, “the costs of water rates and charges should be recovered from classes of customers in proportion to the cost of serving those customers.” To develop utility rates that align with Proposition 218 and industry standards while meeting other emerging goals and objectives of the District, we follow the cost-of-service methodology discussed below.

5.1.1. Calculate Revenue Requirement

The rate-making process starts by determining the revenue requirement. In this study the “test year” is FYE 2024. The revenue requirement should sufficiently fund the District’s O&M, debt service, capital expenses, and reserve requirements.

5.1.2. Cost-of-Service Analysis

After determining the District’s revenue requirements, the next step in a cost-of-service analysis is to distribute the annual cost of providing water service among customer classes commensurate with their service requirements. A cost-of-service analysis involves the following:

- Cost functionalization – O&M expenses and capital expenses are categorized by their function in the system. Functions include supply, storage, distribution, customer service, etc.
- Cost component allocation – the functionalized costs are then allocated to cost components based on their burden on the system. The cost components include supply and base delivery, extra-capacity, meter, billing & customer service, etc. The revenue requirement is allocated accordingly to the cost components and results in the total revenue requirement for each cost component.
- Unit cost development – the revenue requirement for each cost component is divided by the appropriate units of service such as total water demand, peak water demand, equivalent meters, number of customers, etc. for each customer class.
- Revenue requirement distribution – the unit costs are utilized to distribute the revenue requirement for each cost component to customer classes and tiers based on their individual service units.

The functions are:

- **Water Supply** – water supply costs associated with groundwater
- **Treatment** – the cost of treating water
- **Storage** – represents the cost associated with storing treated water
- **Transmission & Distribution** – the cost associated with pipes, pumps, mains, etc.
- **Conservation** – costs associated with water conservation and efficiency efforts
- **Billing & Customer Service** – represents the costs associated with meter reading, billing, and customer service
- **Meters** - represents the costs associated with meter maintenance and replacement

- **Fire Hydrants**– costs associated with public fire hydrants
- **Private Fire Protection**– costs associated with private fire protection connections associated with private fire hydrants, fire sprinklers, etc.
- **General**– general and administrative costs incurred by the District
- **Purchased Water** – the cost of wholesale water purchases from SCWA

The functionalization of costs allows us to better allocate the functionalized costs to the cost components. Some cost components correspond directly with one of the above functions. The cost components include:

- **Supply & Base Delivery**– variable costs associated with providing water supplies for all customers and fixed costs associated with providing service under average demand conditions
- **Max Day** (peaking) – costs associated with meeting demand in excess of average use
- **Conservation** - costs associated with water conservation and efficiency efforts
- **Billing & Customer Service**– the costs associated with meter reading, billing, and customer service
- **Meters**– costs associated with meter maintenance and replacement
- **Private Fire Protection**– costs associated with providing private fire protection capacity
- **Revenue Offsets** – non-rate revenues (i.e., other miscellaneous revenues) used to offset the total revenue required from water rates
- **General** – costs that cannot be allocated directly to any one cost component

Peaking costs are computed for a maximum day. The maximum day demand is the maximum amount of water used in a single day in a year. Different facilities, such as distribution and storage facilities (and the O&M costs associated with those facilities), are designed to meet the peaking demands of customers. Therefore, extra capacity³ costs include the O&M and capital costs associated with meeting peak customer demand. This method is consistent with the AWWA Manual M1 and is widely used in the water industry to perform cost-of-service analyses.

5.1.3. Rate Design and Calculations

Rates do more than simply recover costs. Within the legal framework and industry standards, properly designed rates should support and optimize a blend of various utility objectives, such as conservation, affordability for essential needs and revenue stability among other objectives. Rates may also act as a public information tool in communicating these objectives to customers.

5.1.4. Rate Adoption

Rate adoption is the last step of the rate-making process. Raftelis documented the rate study results in this report to help educate the public about the proposed changes, the rationale and justifications behind the changes, and their anticipated financial impacts in lay terms.

³ The terms extra capacity, peaking and capacity costs are used interchangeably.

5.2. Cost-of-Service Calculations

5.2.1. Revenue Requirement Determination

Table 5-1 shows the net revenue required from rates for FYE 2024. The total revenue requirement shown is equal to operating expenses, non-operating expenses, and capital expenses and come from Table 4-4, Table 4-5, and Figure 4-1. The revenue offsets come from Table 4-3 and Table 4-7 and reduce the total revenue required from rates. The adjustment for cash is subtracted to account for the withdrawal from reserves to help cover revenue requirements. The mid-year increase reflects that the District adjusts rates part-way through the fiscal year and adds to the revenue requirement. The revenue required from rates is equal to the total revenue requirements less revenue offsets and adjustments. The revenue requirement is divided into Operating and Capital components and is allocated to the cost components based on the functionalization of the O&M expenses and capital assets, respectively.

Table 5-1: Annualized Revenue Requirements for FYE 2024

Description	Operating	Capital	Revenue Offsets	Total
Revenue Requirements				
Operating Expenses	\$12,600,289	\$0	\$0	\$12,600,289
Debt Service	\$0	\$3,886,994	\$0	\$3,886,994
Other Non-Operating Expenses	\$0	\$0	\$0	\$0
CIP Expenditures	\$0	\$2,705,450	\$0	\$2,705,450
Total Revenue Requirements	\$12,600,289	\$6,592,444	\$0	\$19,192,733
Revenue Offsets				
Miscellaneous Fees	\$0	\$0	(\$319,000)	(\$319,000)
Other Operating Revenue	\$0	\$0	(\$9,000)	(\$9,000)
Capital Grants	\$0	(\$215,000)	\$0	(\$215,000)
Interest Earned	\$0	(\$100,771)	\$0	(\$100,771)
Other Non-Operating Revenue	\$0	\$0	\$0	\$0
Total Revenue Offsets	\$0	(\$315,771)	(\$328,000)	(\$643,771)
Adjustments				
Cash Balance	\$0	(\$1,813,329)	\$0	(\$1,813,329)
Mid-Year Increase	\$0	\$368,266	\$0	\$368,266
Total Adjustments	\$0	(\$1,445,063)	\$0	(\$1,445,063)
Net Revenue to be Recovered from Rates	\$12,600,289	\$4,831,610	(\$328,000)	\$17,103,900

5.2.2. Peaking Factors

Peaking factors are used to allocate peaking costs (max day costs) to customer classes. Table 5-2 shows the system-wide peaking factors used to derive the cost component allocation bases for Base Delivery and Max Day costs. Base costs represent average daily demand during the year, which is normalized to a factor of 1.00 (Column B, Line 1). The max month factor (Column B, Line 2) is the maximum month usage divided by the average monthly usage. The District provided daily well production data for FYE 2022 to determine the system max day factor. The system-wide max day peaking factor (Column B, Line 3) is 1.7 times greater than the average daily demand. The allocation bases (Columns C and D) are calculated using the equations

outlined in this section. Columns are represented in these equations as letters and rows are represented as numbers. For example, Column C, Line 2 is shown as C2.

Table 5-2: Water System Peaking Factors

Line No.	System Peaking Factors (A)	Factors (B)	Base (C)	Max Day (D)	Total (E)
1	Base	1.00	100%		100.0%
2	Max Month	1.59			
3	Max Day	1.70	59%	41%	100.0%

The Max Day allocations are calculated as follows:

- Base Delivery: $B1 / B3 \times 100\% = C3$
- Max Day: $(B3 - B1) / B3 \times 100\% = D3$

The system-wide max month peaking factor is used to translate monthly-to-average month peaking factors for each customer class into a max day factor for each customer class, as shown in Table 5-3. The monthly peaking factor (Column D) is multiplied by the ratio of the system-wide max day factor to the system-wide max month factor (1.70/1.59) from Table 5-2 to determine the max day capacity factor (Column E). The peaking analysis was based on account-level billing data for FYE 2022.

Table 5-3: Max Day Capacity Factor

Line No.	Customer Class (A)	Average Monthly Usage (B)	Max Month Usage (C)	Max Month (D)	Max Day (E)
1	Single Family Tier 1	164,140	230,143	1.40	1.51
2	Single Family Tier 2	18,330	45,606	2.49	2.67
3	Non-Residential	27,318	38,049	1.39	1.50
4	Irrigation	28,099	63,408	2.26	2.42

5.2.3. Operating and Capital Allocation

The next step in the cost-of-service analysis is to allocate the functionalized costs to the cost components. Table 5-4 (on the following page) shows the system functions, the rationale for allocating each function to the various cost components, and the percentage allocation to each component. Most functions have a one-to-one relationship with a cost component.

Table 5-5 (on the following page) shows the operating costs by cost component based on the corresponding functional allocations by cost component (Table 5-4). O&M expenses were allocated to the functional categories based on staff input and are shown in Appendix B. O&M expenses are used in the cost-of-service analysis to allocate the operating revenue requirement (Table 5-1, Operating column) to the relative share of costs in each water system cost component.

Table 5-6 (on the following page) shows the District’s water assets grouped by functional categories and then allocated to each cost component by the factors in Table 5-4. Asset values, on a replacement cost less depreciation basis, are used in the cost-of-service analysis to allocate the capital-related revenue requirement (Table 5-1, Capital column) to the relative share of costs in each water system cost component.

Table 5-4: Allocation of Functions to Cost Components

Functional Categories	Notes	Supply &		Conservation	Billing & Customer Service		Private Fire		Total
		Base Delivery	Max Day		Meters	Protection	General		
Water Supply	Max Day	58.7%	41.3%						100.0%
Treatment	Max Day	58.7%	41.3%						100.0%
Storage	Max Day	58.7%	41.3%						100.0%
Transmission & Distribution	Max Day	58.7%	41.3%						100.0%
Conservation	Conservation			100.0%					100.0%
Billing & Customer Service	Billing & Customer Service				100.0%				100.0%
Meters	Meters					100.0%			100.0%
Fire Hydrants	Fire Hydrants					100.0%			100.0%
Private Fire Protection	PFP						100.0%		100.0%
General	General							100.0%	100.0%
Purchased Water	Base	100.0%							100.0%

Table 5-5: Allocation of Operating Expenses to Cost Components

Functional Categories	Supply &		Conservation	Billing & Customer Service		Private Fire		Total O&M Expenses
	Base Delivery	Max Day		Meters	Protection	General		
Water Supply	\$525,196	\$368,950	\$0	\$0	\$0	\$0	\$0	\$894,147
Treatment	\$554,485	\$389,526	\$0	\$0	\$0	\$0	\$0	\$944,011
Storage	\$164,996	\$115,910	\$0	\$0	\$0	\$0	\$0	\$280,906
Transmission & Distribution	\$781,451	\$548,969	\$0	\$0	\$0	\$0	\$0	\$1,330,420
Conservation	\$0	\$0	\$70,437	\$0	\$0	\$0	\$0	\$70,437
Billing & Customer Service	\$0	\$0	\$0	\$1,470,520	\$0	\$0	\$0	\$1,470,520
Meters	\$0	\$0	\$0	\$0	\$636,301	\$0	\$0	\$636,301
Fire Hydrants	\$0	\$0	\$0	\$0	\$158,262	\$0	\$0	\$158,262
Private Fire Protection	\$0	\$0	\$0	\$0	\$0	\$139,343	\$0	\$139,343
General	\$0	\$0	\$0	\$0	\$0	\$0	\$2,633,388	\$2,633,388
Purchased Water	\$4,042,555	\$0	\$0	\$0	\$0	\$0	\$0	\$4,042,555
Total Operating Expenses	\$6,068,683	\$1,423,355	\$70,437	\$1,470,520	\$794,563	\$139,343	\$2,633,388	\$12,600,289
O&M Allocation	48.2%	11.3%	0.6%	11.7%	6.3%	1.1%	20.9%	100.0%

Table 5-6: Allocation of Water Assets to Cost Components

Functional Categories	Supply & Base Delivery		Max Day	Conservation	Billing & Customer Service			Private Fire Protection	General	Total O&M Expenses
					Customer Service	Meters				
Water Supply	\$2,738,328	\$1,923,675	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,662,002
Treatment	\$6,324,600	\$4,443,031	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,767,631
Storage	\$548,892	\$385,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$934,488
Transmission & Distribution	\$77,568,478	\$54,491,841	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,060,319
Conservation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Billing & Customer Service	\$0	\$0	\$0	\$0	\$14,378	\$0	\$0	\$0	\$0	\$14,378
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fire Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$978,267	\$0	\$978,267
Purchased Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Asset Value	\$87,180,298	\$61,244,143	\$0	\$0	\$14,378	\$0	\$0	\$978,267	\$0	\$149,417,085

Capital Allocation **58.3%** **41.0%** **0.0%** **0.0%** **0.0%** **0.7%** **100.0%**

5.2.4. Equivalent Meters

Equivalent meters (EMs) are used to allocate meter-related costs. Larger meters can impose greater demands on the system and are more expensive to install, maintain, and replace than smaller meters. This study uses a hydraulic capacity (capacity) ratio to calculate equivalent meters. The capacity ratio is based on meter hydraulic capacity and is calculated to represent the potential demand on the water system compared to the base meter size. A ratio of hydraulic capacity is calculated by dividing the capacity of a meter at a given size by the base meter capacity using the maximum safe operating flow rates in gallons per minute (gpm). The base meter used in the study is the 1" meter, which is the most common meter size in the District's water system.

Table 5-7 shows the meter capacity and capacity ratio for each meter size. The capacity in gpm is based on the safe operating flow rates provided in the AWWA Manual M1 for the most common meter types used by the District. These ratios reflect an update to the ratios used in prior studies. The capacity ratios (Column C) are calculated by dividing the capacity in gpm (Column B) for each meter size (Column A) by the capacity in gpm for the 1" meter (Column B, Line 1). Column E shows the estimated equivalent meters based on the capacity ratio. Meter counts (Column D) at each size are multiplied by the capacity ratio (Column C) to arrive at the total number of equivalent meters.

Table 5-7: Equivalent Meters

Line No	Meter Size (A)	Capacity (gpm) (B)	AWWA Ratio (C)	Number of Meters (D)	Equivalent Meters (E)
1	1"	50	1.00	12,676	12,676
2	1.5"	100	2.00	102	204
3	2"	160	3.20	264	845
4	3"	350	7.00	22	154
5	4"	600	12.00	17	204
6	6"	1350	27.00	5	135
7	8"	1600	32.00	0	0
8	10"	4200	84.00	0	0
9	Total			13,086	14,218

5.2.5. Allocation of Public and Private Fire Protection Costs

Water systems provide two types of fire protection: public fire protection for firefighting (i.e., fire hydrants) and private fire protection (i.e., fire lines for private structures with sprinkler systems for fire suppression and private fire hydrants). Raftelis performed a fire demand analysis to determine the share of fire protection costs allocated to public versus private fire protection. The District provided Raftelis with a count of fire hydrants. The number of private fire lines is shown in Table 3-3.

Table 5-8 shows the calculation of equivalent fire demand associated with public hydrants and private fire lines. Each connection size has a fire flow demand factor similar to the hydraulic capacity factor of a water meter. The diameter of the connection (in inches) is raised to the 2.63 power to determine the fire demand

factor (Column B).⁴ The fire demand factor is multiplied by the number of connections or hydrants by size (Column A) to calculate equivalent fire demand (Column C). Total equivalent fire demand is shown for public hydrants in Line 8 and for private fire lines in Line 16. Column D shows the proportional share of equivalent fire demand between public (Line 8) and private (Line 16).

Table 5-8: Equivalent Fire Meters

Line No	Fire Protection Peaking Requirements	Number of Connections (A)	Fire Demand Factor (B)	Equivalent Fire Demand Units (C)	Equivalent Fire Demand (%) (D)
Public Fire Hydrants					
1	2"		6.19		0.0%
2	3"		17.98		0.0%
3	4"		38.32		0.0%
4	6"	1,680	111.31	187,002	86.4%
5	8"		237.21		0.0%
6	10"		426.58		0.0%
7	12"		689.04		0.0%
8	Subtotal	1,680		187,002	86.4%
Private Fire Protection Service Connections					
9	2"	2	6.19	12	0.0%
10	3"	2	17.98	36	0.0%
11	4"	34	38.32	1,303	0.6%
12	6"	156	111.31	17,365	8.0%
13	8"	24	237.21	5,693	2.6%
14	10"	12	426.58	5,119	2.4%
15	12"	0	689.04		0.0%
16	Subtotal	230		29,528	13.6%
17	Total	1,910		216,530	100.0%

5.2.6. Unit Costs of Service

The end goal of a cost-of-service analysis is to distribute the revenue requirement to each customer class. Raftelis calculated unit costs for each cost component by assessing the total water demand, meter count, or equivalent service units. Table 5-9 shows the units-of-service for each customer class. Average Daily Use (Column C) is the Annual Use (Column B) divided by 365 days per year. The Max Day Peaking Factor (Column D) is the capacity factors derived in Table 5-3. The Max Day Demand (Column E) is the Average Daily Use (Column C) multiplied by the Max Day Peaking Factor (Column D). The Max Day Extra Capacity (Column F) is the difference between the Max Day Demand (Column E) and the Average Daily Use (Column C).

⁴ Hazen-Williams equation and AWWA Manual M1

Table 5-9: Units-of-Service

Line No	Customer Class/Tier (A)	Annual Water Use (CCF) (B)	Average Daily Usage (CCF) (C)	Max Day Peaking Factor (D)	Max Day Demand (CCF/Day) (E)	Max Day Extra Capacity (CCF/Day) (F)	Number of EMs (G)	Number of Meters (H)
1	Residential Tier 1 (0-30 ccf/mo)	1,952,603	5,346	1.51	8,048	2,702		
2	Residential Tier 2 (30.01+ ccf/mo)	216,956	594	2.67	1,587	993		
3	Non-Residential	322,176	882	1.50	1,319	437		
4	Irrigation	331,389	907	2.42	2,199	1,291		
5	Total	2,823,124	7,729		13,153	5,423	14,218	13,086

Table 5-10 shows the max day extra capacity requirements for fire service and for the residential, non-residential, and irrigation customers. The value shown for residential, non-residential, and irrigation comes from Table 5-9. This information is used to determine the percent of max day demand that comes from fire and from customer usage.

Table 5-10: Fire Service Share of Max Day Requirements

	Duration (Hours)	Demand (gpm)	Max Day (ccf/day)	Max Day %
Residential Fire	1	1,500	120	
Non-Residential Fire	2	2,500	401	
Total Fire			521	9%
Residential, Non-Res., Irrigation			5,423	91%

Table 5-11 shows the operating and capital revenue requirements allocated to the cost components. The operating expenses match the totals shown in Table 5-5. Capital-related expenses (Table 5-1, Capital column) are allocated based on the asset allocation (Table 5-6). Revenue offsets are allocated to the Revenue Offsets column. Line 5 reallocates general costs to the other cost components based on Line 4 excluding revenue offsets because general costs support all cost components. Line 6 reallocates public fire max day costs to meters because it is common to recover public fire protection costs through a fixed charge in proportion to meter size. This allocation is based on the percent of total fire service’s max day impact (Table 5-10) split between public fire and private fire based on the split shown in Table 5-8. Line 7 does a similar reallocation as Line 6 for private fire service, moving those max day costs to the private fire component. To keep the percentage of rate-based revenue from fixed

charges similar to current levels, a portion of max day and base delivery costs are also allocated to the meter component, as shown in Lines 8 and 9. The total adjusted cost-of-service is shown in Line 11.

Table 5-11: Revenue Requirement Allocation and Unit Cost Derivation

Line No.	Preliminary Cost of Service	Supply & Base Delivery	Max Day	Conservation	Billing & Customer Service	Meters	Private Fire Protection	Revenue Offsets	General	Total
Revenue Requirements										
1	Operating Revenue Requirement	\$6,068,683	\$1,423,355	\$70,437	\$1,470,520	\$794,563	\$139,343	\$0	\$2,633,388	\$12,600,289
2	Capital Revenue Requirement	\$2,819,097	\$1,980,415	\$0	\$465	\$0	\$0	\$0	\$31,634	\$4,831,610
3	Revenue Offsets							(\$328,000)		(\$328,000)
4	Subtotal	\$8,887,780	\$3,403,770	\$70,437	\$1,470,985	\$794,563	\$139,343	(\$328,000)	\$2,665,021	\$17,103,900
Reallocations										
5	Reallocation of General Costs	\$1,604,003	\$614,288	\$12,712	\$265,473	\$143,397	\$25,148		(\$2,665,021)	\$0
6	Reallocation of Public Fire Costs		(\$304,326)			\$304,326				\$0
7	Reallocation of Private Fire Costs		(\$48,053)				\$48,053			\$0
8	Reallocation of Max Day		(\$1,906,153)			\$1,906,153				\$0
9	Reallocation of Base Delivery	(\$5,455,727)				\$5,455,727				\$0
10	Subtotal	(\$3,851,724)	(\$1,644,244)	\$12,712	\$265,473	\$7,809,603	\$73,201	\$0	(\$2,665,021)	\$0
11	Adjusted Cost-of-Service	\$5,036,056	\$1,759,526	\$83,149	\$1,736,458	\$8,604,167	\$212,543	(\$328,000)	\$0	\$17,103,900

Table 5-12 divides the adjusted cost-of-service (Table 5-11, Line 11) by the respective units-of-service for each cost component, to determine the unit cost for each component.

Table 5-12: Unit Costs-of-Service

	Supply & Base Delivery	Max Day	Conservation	Billing & Customer Service	Meters	Private Fire Protection	Revenue Offsets
	ccf	ccf/day	ccf	meters	EMs	Equivalent Fire	ccf
Adjusted Cost-of-Service	\$5,036,056	\$1,759,526	\$83,149	\$1,736,458	\$8,604,167	\$212,543	(\$328,000)
Units	2,823,124	5,423	2,823,124	13,086	14,218	29,528	2,823,124
Unit Cost, \$/unit	\$1.784	\$324.43	\$0.029	\$11.06	\$50.43	\$0.60	(\$0.116)

The max day unit cost from Table 5-12 is applied to the customer classes and tiers based on their respective max day peaking requirements to determine the peaking unit cost at the class/tier level. Table 5-13 shows the derivation of the peaking cost at the class/tier level. The Max Day costs from Table 5-11, Line 11 are allocated to the class/tiers based on the Max Day Requirements (Column B). These costs are divided by the water used by each class/tier (Column D) to derive the peaking unit rate (Column E).

Table 5-13: Peaking Unit Rate Calculation

Line No.	Customer Class/Tier (A)	Max Day Requirements (CCF/Day) (B)	Allocated		
			Max Day Costs (C)	Water Use (CCF) (D)	Peaking Unit Rate (\$/CCF) (E)
1	Residential Tier 1 (0-30 ccf/mo)	2,702	\$876,642	1,952,603	\$0.449
2	Residential Tier 2 (30.01+ ccf/mo)	993	\$322,065	216,956	\$1.484
3	Non-Residential	437	\$141,864	322,176	\$0.440
4	Irrigation	1,291	\$418,955	331,389	\$1.264
5	Total	5,423	\$1,759,526	2,823,124	

5.3. Proposed Water Rates and Charges

From the calculations in Table 5-12, the proposed fixed charges are determined for each meter size. Table 5-14 shows the derivation of the Monthly Service Charge. The Billing & Customer Service component (Column D) is equal to the unit rate from Table 5-12. As the cost of issuing a bill does not vary by meter size, it remains constant for all meter sizes. The Meters component (Column E) is the Meters unit cost from Table 5-12 for the 1" meter. For meters larger than 1", this unit rate is multiplied by the meter ratio (Column C) to derive the meter capacity cost associated with those larger meter sizes. The Proposed Monthly Service Charge (Column F) is the sum of Columns D and E. The Current Charge is shown in Column G for comparison.

Table 5-14: Monthly Service Charge Derivation

Line No.	Meter Size (A)	Number of Meters (B)	Meter Ratio (C)	Billing & Customer Service (D)	Meters (E)	Proposed Monthly Charge (F)	Current Monthly Charge (G)
1	1"	12676	1.00	\$11.06	\$50.43	\$61.49	\$62.37
2	1.5"	102	2.00	\$11.06	\$100.86	\$111.92	\$87.79
3	2"	264	3.20	\$11.06	\$161.38	\$172.44	\$118.29
4	3"	22	7.00	\$11.06	\$353.02	\$364.08	\$189.48
5	4"	17	12.00	\$11.06	\$605.17	\$616.23	\$291.14
6	6"	5	27.00	\$11.06	\$1,361.63	\$1,372.69	\$545.33
7	8"	0	32.00	\$11.06	\$1,613.78	\$1,624.85	\$850.36
8	10"	0	84.00	\$11.06	\$4,236.18	\$4,247.24	\$1,206.22

Table 5-15 shows the derivation of the Private Fire Protection Service Charge. Since private fire charges are on the same water bill, no additional billing component is charged. The charge shown in Column C is the unit rate shown for Private Fire Protection in Table 5-12 multiplied by the Fire Demand Factor (Column B). The current monthly charge is shown in Column D for comparison.

Table 5-15: Private Fire Protection Service Charge Derivation

Connection Size	Number of Connections (A)	Fire Demand Factor (B)	Proposed Monthly Charge (C)	Current Monthly Charge (D)
2"	2	6.19	\$3.72	\$3.08
3"	2	17.98	\$10.79	\$8.96
4"	34	38.32	\$22.99	\$19.08
6"	156	111.31	\$66.77	\$55.43
8"	24	237.21	\$142.29	\$118.12
10"	12	426.58	\$255.89	\$212.42
12"	0	689.04	\$413.32	\$343.10

The Commodity Rate incorporates the balance of the Base Delivery and Max Day components not captured in the fixed charge plus Conservation and Revenue Offsets, as shown in Table 5-16. The Base Delivery, Conservation, and Revenue Offsets costs match those shown in Table 5-12. The Max Day cost (Column C) matches that shown in Table 5-13. The sum of Columns B, C, D, and E result in the proposed total unit rate in Column F. The proposed rate for Tier 2 is lower than the current commodity rate due to a dampening in the Tier 2 demand since the last rate study. This unit rate includes all water purchase costs.

Table 5-16: Proposed Water Commodity Rate

Customer Class/Tier	Supply & Conservation Revenue Offsets					Proposed Rate	Current Rate
	Water Use (CCF) (A)	Base Delivery (B)	Max Day (C)	Conservation (D)	Revenue Offsets (E)	(\$/CCF) (F)	(\$/CCF) (G)
Residential Tier 1 (0-30 ccf/mo)	1,952,603	\$1.784	\$0.449	\$0.029	(\$0.116)	\$2.15	\$1.96
Residential Tier 2 (30.01+ ccf/mo)	216,956	\$1.784	\$1.484	\$0.029	(\$0.116)	\$3.19	\$4.12
Non-Residential	322,176	\$1.784	\$0.440	\$0.029	(\$0.116)	\$2.14	\$1.83
Irrigation	331,389	\$1.784	\$1.264	\$0.029	(\$0.116)	\$2.97	\$2.32

The proposed five-year water rates are shown in Table 5-17. The rates for FYE 2024 are derived from the cost-of-service analysis and the proposed revenue adjustments from Table 4-6 are used to determine the proposed water rates and charges for FYE 2025 to FYE 2028 by escalating the rates shown in FYE 2024.

Table 5-17: Proposed 5-Year Water Rates and Charges

Proposed Rates	Current	Proposed	Proposed	Proposed	Proposed	Proposed
Proposed Water Rate Schedule	2023	2024	2025	2026	2027	2028
Proposed Revenue Adjustment	N/A	cost-of-service	4.5%	4.5%	4.5%	4.5%
Monthly Fixed Charges (by Meter Size)						
1"	\$62.37	\$61.49	\$64.26	\$67.16	\$70.19	\$73.35
1.5"	\$87.79	\$111.92	\$116.96	\$122.23	\$127.74	\$133.49
2"	\$118.29	\$172.44	\$180.20	\$188.31	\$196.79	\$205.65
3"	\$189.48	\$364.08	\$380.47	\$397.60	\$415.50	\$434.20
4"	\$291.14	\$616.23	\$643.97	\$672.95	\$703.24	\$734.89
6"	\$545.33	\$1,372.69	\$1,434.47	\$1,499.03	\$1,566.49	\$1,636.99
8"	\$850.36	\$1,624.85	\$1,697.97	\$1,774.38	\$1,854.23	\$1,937.68
10"	\$1,206.22	\$4,247.24	\$4,438.37	\$4,638.10	\$4,846.82	\$5,064.93
Commodity Charges (per CCF)						
Residential						
Tier 1 (0-30 ccf/mo)	\$1.96	\$2.15	\$2.25	\$2.36	\$2.47	\$2.59
Tier 2 (30.01+ ccf/mo)	\$4.12	\$3.19	\$3.34	\$3.50	\$3.66	\$3.83
Non-Residential	\$1.83	\$2.14	\$2.24	\$2.35	\$2.46	\$2.58
Irrigation	\$2.32	\$2.97	\$3.11	\$3.25	\$3.40	\$3.56
Private Fire Protection Service Monthly Fixed Charges (by Connection Size)						
2"	\$3.08	\$3.72	\$3.89	\$4.07	\$4.26	\$4.46
3"	\$8.96	\$10.79	\$11.28	\$11.79	\$12.33	\$12.89
4"	\$19.08	\$22.99	\$24.03	\$25.12	\$26.26	\$27.45
6"	\$55.43	\$66.77	\$69.78	\$72.93	\$76.22	\$79.65
8"	\$118.12	\$142.29	\$148.70	\$155.40	\$162.40	\$169.71
10"	\$212.42	\$255.89	\$267.41	\$279.45	\$292.03	\$305.18
12"	\$343.10	\$413.32	\$431.92	\$451.36	\$471.68	\$492.91

6. Customer Impact Analysis

The proposed revenue adjustments are different from customer bill impacts in FYE 2024 due to the distributional impacts of the cost-of-service analysis. Figure 6-1 shows the bill impacts for a single family residential customer on a 1” meter (most common size for this customer class) at different levels of usage in a month.

Figure 6-1: Sample Single Family Residential Monthly Water Bill Comparison, FYE 2024

Single Family Residential Monthly Bill Impacts for 1" Meter, 11 ccf = Median

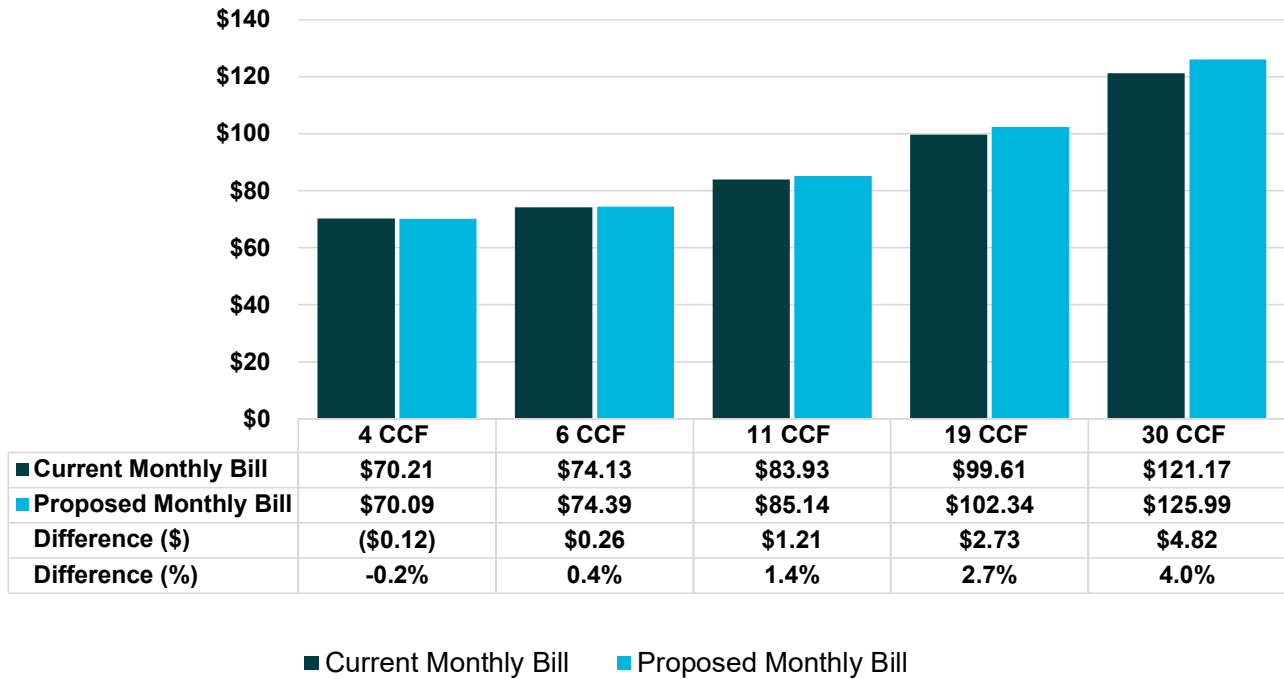


Figure 6-2 shows a comparison of FYE 2024 non-residential bills based on a 2” meter for different monthly usage. Figure 6-3 shows a comparison of FYE 2024 irrigation bills based on a 2” meter for different monthly usage. The 2” meter is the most common meter size for these two customer classes.

Figure 6-2: Sample Non- Residential Bill Comparison, FYE 2024

Non-Residential Monthly Bill Impacts for 2" Meter, 26 ccf = Median

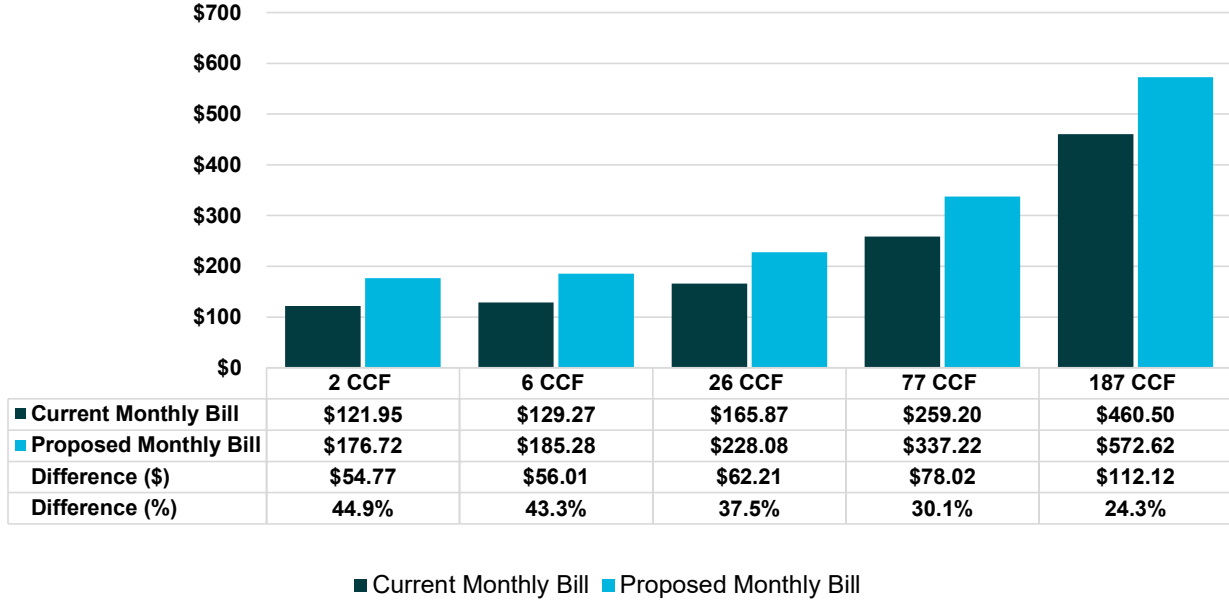
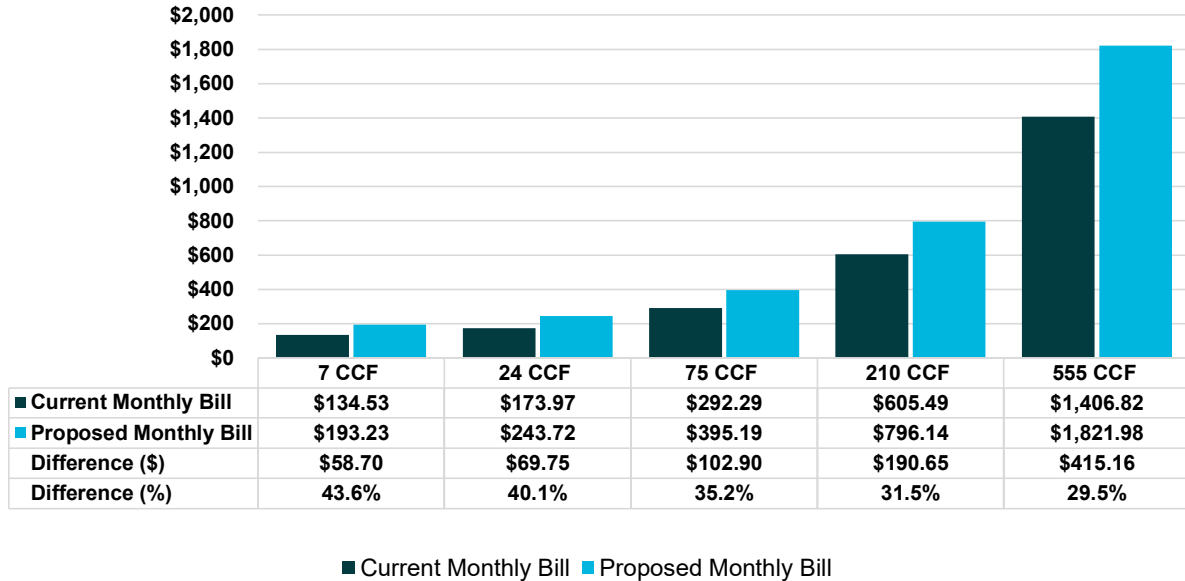


Figure 6-3: Sample Irrigation Bill Comparison, FYE 2024

Irrigation Monthly Bill Impacts for 2" Meter, 75 ccf = Median



APPENDIX A:

Water Capital Projects



Project	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Supply/ Distribution Improvements						
Well Rehabilitation Program pg. 10	\$0	\$82,400	\$0	\$0	\$0	\$0
Derr St. Water Main Looping pg. 12	\$0	\$60,000	\$0	\$0	\$0	\$0
School St./Locust Water Main pg.14	\$0	\$298,000	\$0	\$0	\$0	\$0
Service Line Replacements Pavement Repairs pg. 16	\$85,000	\$0	\$0	\$0	\$0	\$0
Locust/Summit Alley Water Main pg. 18	\$635,000	\$0	\$0	\$0	\$0	\$0
Elk Grove Blvd./Grove St. Alley Water Main pg. 20*	\$376,000	\$0	\$0	\$0	\$0	\$0
Locust St. Elk Grove Blvd Alley/Derr St. Water Main pg. 22**	\$0	\$377,000	\$0	\$0	\$0	\$0
Locust St. Elk Grove Blvd. Main pg. 24	\$0	\$140,000	\$0	\$0	\$0	\$0
2nd Ave./Mazatlan Way Water Main pg. 26	\$0	\$0	\$0	\$441,000	\$0	\$0
Adams St. Water Main pg. 28	\$129,000	\$0	\$0	\$0	\$0	\$0
Grove St. Water Main pg. 30	\$0	\$431,000	\$0	\$0	\$0	\$0
Elk Grove Florin-Frontage Rd. Water Main pg. 32	\$0	\$669,500	\$0	\$0	\$0	\$0
Kilkenny Ct. Water Main pg. 34	\$0	\$0	\$0	\$223,000	\$0	\$0
Leo Virgo Ct. Water Main pg. 36	\$0	\$0	\$0	\$223,000	\$0	\$0
Plaza Park Dr. Water Main pg. 38	\$0	\$0	\$753,000	\$0	\$0	\$0
Durango Way Water Main pg. 40	\$0	\$0	\$363,000	\$0	\$0	\$0
Sierra St. Service Line Replacements pg. 42	\$0	\$87,550	\$0	\$0	\$0	\$0
Lark St. Water Main pg. 44	\$0	\$0	\$369,000	\$0	\$0	\$0
Mazatlan Way Water Main pg. 46	\$0	\$0	\$0	\$321,000	\$0	\$0
Webb St. Water Main pg. 48	\$0	\$0	\$0	\$0	\$428,000	\$0
2nd Ave. Water Main pg. 50	\$188,000	\$0	\$0	\$0	\$0	\$0
Grove St./Elk Grove Blvd Water Main pg. 52	\$0	\$0	\$0	\$0	\$446,000	\$0
Halverson Dr. Water Main pg. 54	\$0	\$0	\$0	\$0	\$654,000	\$0
Railroad Corridor Water Line pg. 56	\$0	\$0	\$0	\$145,000	\$0	\$0
Cadura Circle Water Main Looping pg. 58	\$0	\$0	\$0	\$0	\$60,000	\$0
Aizenberg Cir. Water Main Looping pg. 60	\$0	\$0	\$0	\$0	\$103,000	\$0
Transmission Main Brinkman Ct. (Cost Share) pg. 62	\$50,000	\$0	\$0	\$0	\$0	\$0
Elk Grove Shopping Center Water Main pg. 64	\$0	\$0	\$0	\$0	\$70,000	\$0
Glorieta Ct. Water Main pg. 66	\$0	\$0	\$0	\$53,000	\$0	\$0
La Diana Ct. Water Main pg. 68	\$0	\$0	\$0	\$56,000	\$0	\$0
Aquarius Ct. Water Main pg. 70	\$0	\$0	\$0	\$140,000	\$0	\$0
Five-Year Plan Annual Average (with inflationary adjustments)	\$0	\$0	\$0	\$0	\$0	\$1,691,290
Subtotal - Supply/ Distribution Improvements	\$1,463,000	\$2,145,450	\$1,485,000	\$1,602,000	\$1,761,000	\$1,691,290
Treatment Improvements						
Storage Tank Coating Repairs pg. 72	\$0	\$0	\$0	\$20,000	\$0	\$0
Storage Tank Interior Repairs pg. 74	\$0	\$30,000	\$0	\$0	\$0	\$0
Media Replacement - RRWTP Filter Vessels pg. 76	\$90,000	\$0	\$0	\$0	\$0	\$0
Media Replacement - HVWTP Filter Vessels pg. 78	\$0	\$0	\$95,481	\$0	\$0	\$0
PLC - RRWTP Main & Filter Panel pg. 80	\$0	\$0	\$60,000	\$0	\$0	\$0
ChlorTec System Replacements pg. 82	\$150,000	\$0	\$0	\$0	\$0	\$0
Chlorine Analyzers Shallow Wells pg. 84	\$0	\$70,000	\$0	\$0	\$0	\$0
Five-Year Plan Annual Average (with inflationary adjustments)	\$0	\$0	\$0	\$0	\$0	\$103,096
Subtotal - Treatment Improvements	\$240,000	\$100,000	\$155,481	\$20,000	\$0	\$103,096
Building & Site Improvements/ Vehicles						
Administration Building Tentative Improvements pg. 86	\$1,281,000	\$0	\$0	\$0	\$0	\$0
Back-Up I.T. Server Replacement pg. 88	\$30,000	\$0	\$0	\$0	\$0	\$0
Backhoe Loader pg. 90	\$0	\$160,000	\$0	\$0	\$0	\$0
Truck Replacements pg. 92	\$0	\$150,000	\$120,000	\$130,000	\$145,000	\$109,000
Pavement Repair & Seal Coat - RRWTP pg.94	\$0	\$0	\$25,000	\$0	\$0	\$0
Estimated CIP beyond Five-Year Plan	\$0	\$0	\$0	\$0	\$0	\$100,000
Subtotal - Building & Site Improvements/ Vehicles	\$1,311,000	\$310,000	\$145,000	\$130,000	\$145,000	\$209,000
Additional Capital Projects						
Unforeseen Capital Projects	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA Software Upgrade	\$0	\$50,000	\$0	\$0	\$0	\$0
Well Replacement	\$0	\$0	\$0	\$0	\$0	\$4,600,000
Advanced Metering Infrastructure (AMI)	\$0	\$0	\$3,000,000	\$0	\$0	\$0
Subtotal - Additional Capital Projects	\$100,000	\$150,000	\$3,100,000	\$100,000	\$100,000	\$4,700,000
Total CIP	\$3,114,000	\$2,705,450	\$4,885,481	\$1,852,000	\$2,006,000	\$6,703,386

APPENDIX B:

O&M Line-Item Allocations



Description	Transmission					Billing &		Fire		Private Fire		Purchased	Total
	Water Supply	Treatment	Storage	& Distribution	Conservation	Customer Service	Meters	Hydrants	Protection	General	Water		
Salaries & Benefits													
Executive Salary	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Exempt Salaries	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Non-Exempt Salaries	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Overtime Compensation	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
On Call Pay	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Holiday Pay	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Vacation Pay	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Personal Time Pay	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Medical Benefits	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
EAP	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
EGWD Contribution H.S.A	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Dental/Vision/Life Insurance	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Retirement Benefits	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Retirement Benefits - Post Employment	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Medical Tax, Social Security and SUI	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Worker's Compensation Insurance	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Education Assistance	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Employee Training	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Employee Recognition	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Meetings	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Additional FYE 2024 Salary Expenses	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%	
Seminars, Conventions and Travel													
Airfare	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Hotels	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Meals	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Auto Rental	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Seminars & Conferences	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Seminars & Conferences - Board	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Mileage Reimbursement, Parking, Tolls	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Auto/Telephone Allowance	9.4%	8.8%	1.3%	12.2%	2.0%	7.9%	2.7%	1.2%	0.6%	53.8%	0.0%	100.0%	
Office & Operational													
Advertising	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Association Dues	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Insurance	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	
Licenses, Certifications, Fees	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Repairs & Maintenance - Automotive	3.1%	7.2%	0.6%	88.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%	
Repairs & Maintenance - Building	3.1%	7.2%	0.6%	88.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%	
Repairs & Maintenance - Computers	3.1%	7.2%	0.6%	88.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%	
Repairs & Maintenance - Equipment	3.1%	7.2%	0.6%	88.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%	
Fuel	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Materials	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Chemicals	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Meter Repairs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Permits	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%	
Postage	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Printing	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Safety Equipment	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Software Programs & Updates	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Supplies	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Telephone	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Tools	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Clothing Allowance	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
EGWD Other Clothing	9.4%	10.7%	5.0%	17.5%	0.5%	8.6%	8.6%	2.8%	2.5%	34.4%	0.0%	100.0%	
Water Conservation Materials	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
ERP Billing System Upgrade	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Purchased Water													
Purchased Water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	

Description						Billing & Customer Service		Fire Hydrants	Private Fire Protection	Purchased Water		Total
	Water Supply	Treatment	Storage	Transmission & Distribution	Conservation	Meters		General				
Outside Services												
Administration Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Bank Charges	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Billing Services	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Contracted Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Water Conservation Services	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Accounting Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Engineering	3.1%	7.2%	0.6%	88.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%
Special Projects	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Legal Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Financial Consultants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Community Relations	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Misc. Medical	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Pre-employment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Janitorial	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Bond Administration	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Security	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Sampling	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Board Secretary/Treasurer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Equipment, Rent, Taxes and Utilities												
Occupancy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Equipment Rental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Property Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Electricity	65.0%	35.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Natural Gas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Sewer & Garbage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Less Capitalized Labor												
Less Capitalized Labor	10.6%	11.5%	5.1%	18.7%	1.0%	11.6%	9.1%	2.9%	2.6%	26.9%	0.0%	100.0%

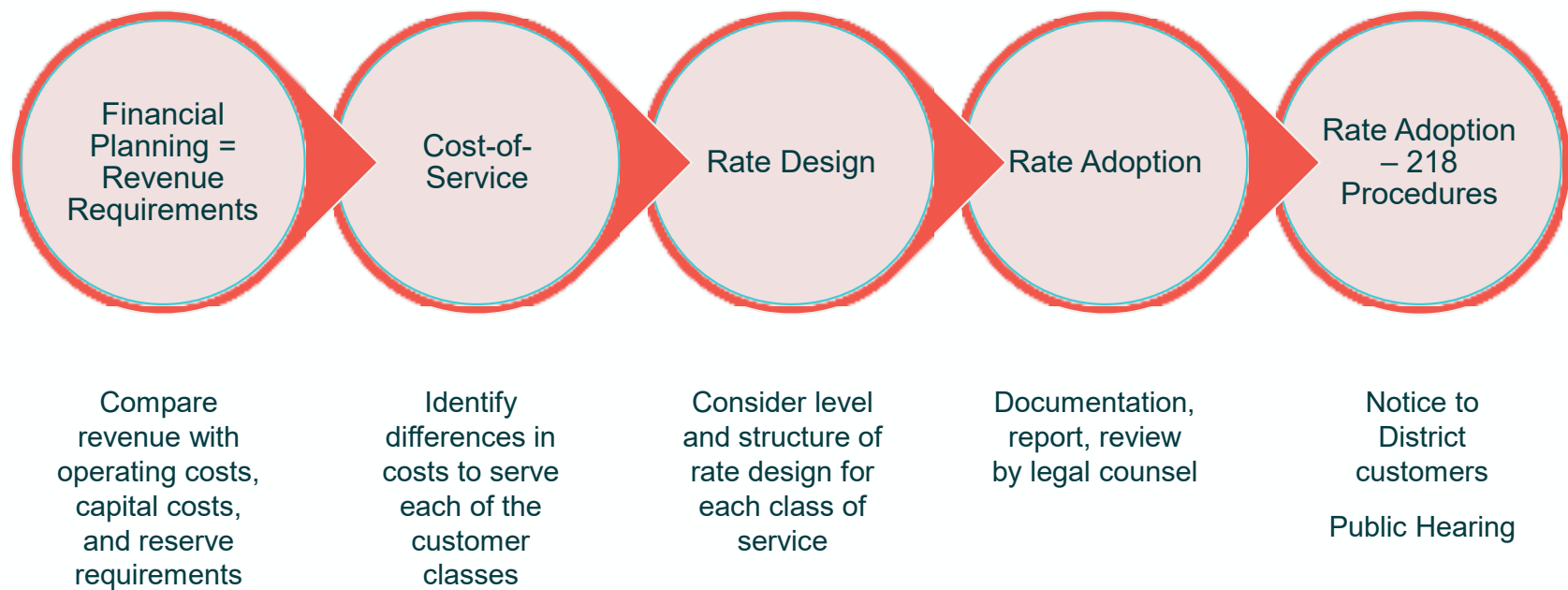
Florin Resource Conservation District – Elk Grove Water District

Water Rate Study

Public Hearing - July 18, 2023



Key Steps in Conducting a Rate Study



Schedule

Activity		Date
Kickoff	District staff	Oct. 18, 2022
Staff Webinars	November 2022 – March 2023	
Rates 101	Combined meeting with Board and Community Advisory Committee (CAC)	Dec. 13, 2022
Financial plan scenarios	Separate meetings with Board and CAC	Jan. 17, 2023
Final financial plan & cost-of-service based rates	Separate meetings with Board and CAC	Mar. 21, 2023
Final Report		May 2, 2023
Public Hearing		July 18, 2023

Factors Considered in the Rate Study



Inflationary assumptions



Growth and demand



O&M budget



Capital improvement plan



Existing Debt and cash financing of future capital

Proposed Water Rate Schedule	FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028
Proposed Revenue Adjustment	N/A	COS	4.5%	4.5%	4.5%	4.5%
<u>Monthly Fixed Charges (by Meter Size)</u>						
1"	\$62.37	\$61.49	\$64.26	\$67.16	\$70.19	\$73.35
1.5"	\$87.79	\$111.92	\$116.96	\$122.23	\$127.74	\$133.49
2"	\$118.29	\$172.44	\$180.20	\$188.31	\$196.79	\$205.65
3"	\$189.48	\$364.08	\$380.47	\$397.60	\$415.50	\$434.20
4"	\$291.14	\$616.23	\$643.97	\$672.95	\$703.24	\$734.89
6"	\$545.33	\$1,372.69	\$1,434.47	\$1,499.03	\$1,566.49	\$1,636.99
8"	\$850.36	\$1,624.85	\$1,697.97	\$1,774.38	\$1,854.23	\$1,937.68
10"	\$1,206.22	\$4,247.24	\$4,438.37	\$4,638.10	\$4,846.82	\$5,064.93
<u>Commodity Charges (per CCF)</u>						
Residential						
Tier 1 (0-30 CCF per Month)	\$1.96	\$2.15	\$2.25	\$2.36	\$2.47	\$2.59
Tier 2 (30.01+ CCF per Month)	\$4.12	\$3.19	\$3.34	\$3.50	\$3.66	\$3.83
Non-Residential						
Uniform	\$1.83	\$2.14	\$2.24	\$2.35	\$2.46	\$2.58
Irrigation						
Uniform	\$2.32	\$2.97	\$3.11	\$3.25	\$3.40	\$3.56
<u>Private Fire Protection Service Monthly Fixed Charges (by Connection Size)</u>						
2"	\$3.08	\$3.72	\$3.89	\$4.07	\$4.26	\$4.46
3"	\$8.96	\$10.79	\$11.28	\$11.79	\$12.33	\$12.89
4"	\$19.08	\$22.99	\$24.03	\$25.12	\$26.26	\$27.45
6"	\$55.43	\$66.77	\$69.78	\$72.93	\$76.22	\$79.65
8"	\$118.12	\$142.29	\$148.70	\$155.40	\$162.40	\$169.71
10"	\$212.42	\$255.89	\$267.41	\$279.45	\$292.03	\$305.18
12"	\$343.10	\$413.32	\$431.92	\$451.36	\$471.68	\$492.91

5

Thank you!

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Patrick Lee, Finance Manager/Treasurer

SUBJECT: **PUBLIC HEARING AND CONSIDERATION OF THE 2024 CAPACITY FEE STUDY AND ADOPTION OF NEW WATER CONNECTION FEES**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt Ordinance No. 07.18.23.02, approving the 2024 Capacity Fee Study and revising the Elk Grove Water District water connection fees as prescribed by the study.

SUMMARY

In October 2022, the Florin Resource Conservation District (District) initiated a review of the Elk Grove Water District's (EGWD) financial requirements and the preparation of a new five-year water connection fee study. This study, referred to as the 2024 Capacity Fee Study, is now complete and is being presented to the District Board of Directors (Board) for consideration.

The 2024 Capacity Fee Study recommends certain adjustments to the capacity and meter charges, generally increasing the combined fees for new connections. The Board will hold a public hearing to receive comments on the 2024 Capacity Fee Study. Following the public hearing, the Board will consider adoption of an ordinance which will include final approval of the 2024 Capacity Fee Study and revising the current connection fees to reflect the fee amounts as prescribed in the study.

DISCUSSION

Background

Capacity fees, as codified in the California Government Code Sections 66000-60025, are also commonly known as developer fees, development impact fees, connection fees, tap fees, and system development charges, among others. All are one-time capital charges, assessed against a new development (or intensified redevelopment), to recover the proportional share of capacity investment, previously constructed by a utility (or will be constructed), to accommodate growth. Capacity fees must reflect the link between the fee imposed on, and the benefit received by, a new connection to the system. The fee charged may not exceed the reasonable share of costs associated with providing the service. Simply stated, connection fees are a contribution of capital to either reimburse

**PUBLIC HEARING AND CONSIDERATION OF THE 2024 CONNECTION FEE STUDY
AND ADOPTION OF NEW WATER CONNECTION FEES**

Page 2

current customers for the available capacity in the existing system, or help finance planned future growth-related capacity improvements necessary to provide service to new customers connecting to the District's system.

For the District, water connection fees are comprised of two (2) components. The first component is the capacity charge which is a one-time assessment, collected as a condition of connecting to the District's water system, for new and existing water facilities, that are of proportional benefit to the new connection. The second component is a meter installation charge intended to reimburse the District for the time and materials to physically install a meter. This charge is also a one-time assessment, collected when a new connection is made to the District's water system.

In October 2022, the Board retained Raftelis to conduct an extensive review of the EGWD's connection fees to ensure the fees are adequate and equitable for the next five (5) years.

Present Situation

The 2024 Capacity Fee Study (attached) presents an analysis of the cost of water facilities to accommodate new development within the EGWD. From this analysis, new capacity and meter charges are recommended.

In developing the new proposed capacity charge, the analysis used the "buy-in" methodology to calculate capacity fees. The "buy-in" method is based on the value of the existing system's capacity and is typically used when the existing system has sufficient capacity to serve new development now and into the future.

The "buy-in" method is based on the premise that new customers are entitled to service at the same price as existing customers. Under this approach, new customers pay only an amount equal to the current system value, calculated by taking the replacement cost of the District's backbone system, consisting of water supply, treatment and transmission assets that are for the benefit of all customers, less depreciation, as the valuation basis. This net investment, or value of the system, is then divided by the current capacity of the system to determine the buy-in cost per unit.

The proposed meter charges remain unchanged at \$926 for a 1-inch meter and time and material (T&M) for all meters larger than 1-inch. The meter charges are derived from actual costs incurred by the district, including the meter, the cost of labor to install the

PUBLIC HEARING AND CONSIDERATION OF THE 2024 CONNECTION FEE STUDY AND ADOPTION OF NEW WATER CONNECTION FEES

Page 3

meter, and a 6% administrative fee to recover administrative expenses associated with new meter installations.

The proposed new capacity charges are as follows:

Table 3-3: Proposed and Existing Water Capacity Fees

Meter Size	EM	Proposed	Current
	Capacity Ratio	\$/EM	\$/EDU (\$/EM)
1"	1.0	\$4,292	\$4,479
1 1/2"	2.0	\$8,584	\$8,958
2"	3.2	\$13,734	\$14,333
3"	7.0	\$30,044	\$26,874
4"	12.0	\$51,504	\$44,790
6"	27.0	\$115,884	\$89,580

Capacity fees apply to Service Area 1 only as Service Area 2 capacity fees are paid to the Sacramento County Water Agency since they own the treatment and transmission assets.

ENVIRONMENTAL CONSIDERATIONS

CEQA does not apply to the District’s adoption of these rates since the Board specifically finds the rates are for the purpose of one or more of the following:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits,
- (2) Purchasing or leasing supplies, equipment, or materials,
- (3) Meeting financial reserve needs and requirements, and/or
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

STRATEGIC PLAN CONFORMITY

The recommendations made in this report conform to Strategic Goal 2 – Fiscal Responsibility of the District’s Fiscal Year 2020-2025 Strategic Plan to conduct the 2024-2028 Water Rate and Connection Fee Study.

July 18, 2023

**PUBLIC HEARING AND CONSIDERATION OF THE 2024 CONNECTION FEE STUDY
AND ADOPTION OF NEW WATER CONNECTION FEES**

Page 4

FINANCIAL SUMMARY

The financial impact of this item is undeterminable at this time due to the unknown nature of new development within the District's Service Area 1 for the next five (5) years.

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachment

ORDINANCE NO. 07.18.23.02

AN ORDINANCE OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS APPROVING THE 2024 CAPACITY FEE STUDY REPORT AND REVISING THE ELK GROVE WATER DISTRICT WATER CONNECTION FEES AS PRESCRIBED IN THE STUDY

WHEREAS, the Florin Resource Conservation District (District) is a Resource Conservation District organized pursuant to Division 9 of the California Public Resources Code, Sections 9001, et seq. (Resource Conservation Law); and

WHEREAS, the District is formed for the purposes delineated in the Public Resources Code Section 9001 and all things necessary to carry out the provisions of the Resource Conservation Law and adopted District Bylaws; and

WHEREAS, Public Resource Code Section 9403.5 and Government Code sections 66013 and 66016 authorize the District to adopt a resolution or ordinance to establish and impose water connection fees and capacity charges; and

WHEREAS, the District's connection fee has two (2) components; a capacity charge and a meter installation charge; and

WHEREAS, the District Board of Directors (Board) adopted Ordinance No. 08.15.18.01 on August 15, 2018, establishing Water Connection Fees; and

WHEREAS, the Board caused to have prepared the Elk Grove Water District 2024 Capacity Fee Study Report, dated May 02, 2023, which recommends changes to the existing water connection fees; and

WHEREAS, the Board wishes to adjust the capacity charge component of its water connection fee to reflect the recommended fees per the 2024 Connection Fee Study Report; and

WHEREAS, pursuant to Government Code sections 66016 and 66018, the District held a public hearing on July 18, 2023, as part of a regularly scheduled meeting of its Board, during which the District gave members of the public the opportunity to make oral or written presentations to the Board of Directors on the proposed changes to the water capacity charge; and

WHEREAS, the District published notice of the time and place of the July 18, 2023 public hearing, including a general explanation of the matter to be considered, at least ten days before the hearing as required by Government Code section 6062a and 66018; and

WHEREAS, at least ten days before the public hearing, the District made data publicly available that indicates (1) the estimated cost required to provide the services for which the District proposes to levy the capacity charge and meter installation charge and (2) the revenue sources anticipated to provide such services, all according to Government Code section 66016; and

WHEREAS, the above-described data sets forth reasonable cost estimates for the District's provision of the water connection fees and establishes that the proceeds generated by the fees do not exceed the total of the estimated costs.

NOW, THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS HEREBY DETERMINES AND ORDAINS AS FOLLOWS:

SECTION 1. Recitals. The Board hereby adopts the foregoing recitals as true and correct and incorporates them herein by reference.

SECTION 2. Final Approval of Water Connection Fee Study. The Elk Grove Water District 2024 Capacity Fee Study Report dated May 02, 2023 is hereby approved.

SECTION 3. Water Connection Fees. Water Connection fees are the fees recommended in the “Elk Grove Water District 2024 Capacity Fee Study Report” dated May 02, 2023 and attached as Exhibit A. Beginning July 01, 2023 and continuing annually thereafter on that same month and day, the minimum total connection fee may be automatically increased according to the most recent index values published in the Engineering News-Record Magazine’s Construction Cost Index.

SECTION 4. California Environmental Quality Act Compliance.

(a) Pursuant to California Public Resources Code section 21080(b)(8), the District’s adjustments to the water capacity charges and meter installation charges are not subject to the requirements of the California Environmental Quality Act. In accordance with Section 21080(b)(8), the District finds and determines that these adjustments constitute the modification of charges to meet operating expenses and for obtaining funds for capital projects necessary to provide and maintain water services within the District’s service area.

(b) District staff is hereby directed to file a Notice of Exemption with the Sacramento County Clerk within three (3) business days after adoption of this Ordinance.

SECTION 5. Certification. The Board Secretary shall certify the adoption of this Ordinance.

SECTION 6. Ordinance Effective Date. This ordinance shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 18th day of July 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Tom Nelson
Chair

ATTEST:

Stefani Phillips
Board Secretary

APPROVED AS TO FORM:

Andrew Ramos
General Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“2024 CAPACITY FEE STUDY REPORT”

[Attached behind this cover page]



**FLORIN RESOURCE CONSERVATION
DISTRICT / ELK GROVE WATER DISTRICT**

Capacity Fee Study

FINAL REPORT / MAY 2, 2023



May 2, 2023

Mr. Bruce Kamilos, PE
General Manager
Florin Resource Conservation District / Elk Grove Water District
9829 Waterman Rd.
Elk Grove, CA 95624

Subject: Capacity Fee Study – Final Draft

Dear Mr. Kamilos:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this Capacity Fee Study report for the Florin Resource Conservation District / Elk Grove Water District (District). This report explains the methodologies and rationale used to develop the capacity fee for the District's Service Area 1.

It has been a pleasure working with you, and we thank you and District staff for the support provided during the course of this study.

Sincerely,

A handwritten signature in black ink that reads 'Theresa M. Jurotich'.

Theresa Jurotich, PE (KS, WA), PMP
Manager

A handwritten signature in black ink that reads 'Charles Diamond'.

Charles Diamond
Senior Consultant

Contents

- 1. Executive Summary 1**
- 2. Legal Requirements and Fee Setting Methodology 2**
 - 2.1. Capacity Fees Legal Framework and California Requirements2
 - 2.2. Capacity Fees Methodology3
- 3. Capacity Fees 4**
 - 3.1. Methodology4**
 - 3.1.1. Equity Buy-in Method 4
 - 3.1.2. Incremental Cost Method 4
 - 3.1.3. Hybrid 5
 - 3.1.4. Proposed Approach..... 5
 - 3.2. Water Capacity Fee5**

Tables

- Table 1-1: Proposed and Existing Water Capacity Fees 1
- Table 3-1: Water Capacity Fee Calculation 6
- Table 3-2: Equivalent Meters 7
- Table 3-3: Proposed and Existing Water Capacity Fees 7

Figures

- Figure 1-1: Elk Grove Water District Service Areas Map 1

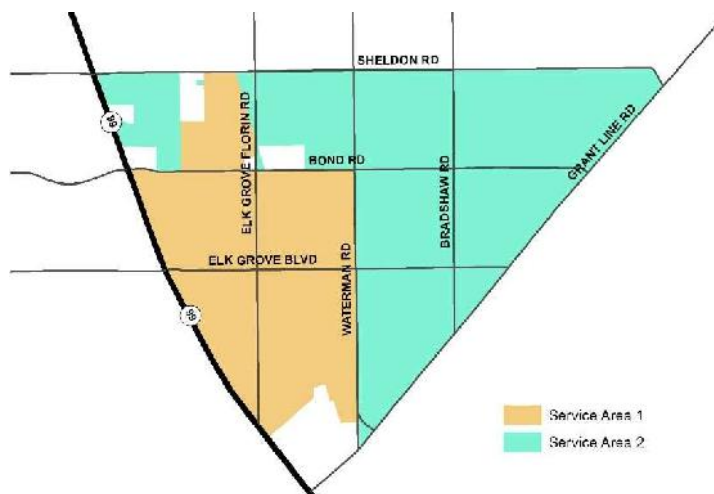
THIS PAGE INTENTIONALLY LEFT BLANK

1. Executive Summary

In 2022, the Florin Resource Conservation District / Elk Grove Water District (District) engaged Raftelis to conduct a capacity fee study to update water capacity fees. The study is informed by the legal requirements in California.

The District has two services areas as shown in Figure 1-1. The District owns and operates a water supply, transmission, and distribution system within Service Area 1. In Service Area 2, the District owns the distribution system while the Sacramento County Water Agency owns and operates the transmission and water supply system. Therefore, the District calculates a water capacity fee for Service Area 1. Capacity fees for Service Area 2 are developed by, and paid to, the Sacramento County Water Agency.

Figure 1-1: Elk Grove Water District Service Areas Map



Given the District has available water system capacity, Raftelis used the equity buy-in method to calculate updated capacity fees for Service Area 1. The asset value as replacement cost less depreciation was determined and divided by the existing equivalent meters to determine the updated fees. Table 1-1 presents the projected capacity fees.

Table 1-1: Proposed and Existing Water Capacity Fees¹

Meter Size	EM	Proposed	Current
	Capacity Ratio	\$/EM	\$/EDU (\$/EM)
1"	1.0	\$4,292	\$4,479
1 1/2"	2.0	\$8,584	\$8,958
2"	3.2	\$13,734	\$14,333
3"	7.0	\$30,044	\$26,874
4"	12.0	\$51,504	\$44,790
6"	27.0	\$115,884	\$89,580

¹ Capacity ratios are based on safe operating capacities for the most common meter types used by the District as listed in the American Water Works Association, *Principles of Water Rates, Fees, and Charges*, M1, Seventh Edition

2. Legal Requirements and Fee Setting Methodology

The philosophy that utility services should be paid for by those that receive the service is often referred to as “growth-pays-for-growth.” The principal is summarized in the American Water Works Association (AWWA) Manual M26: Water Rates and Related Charges:

“The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a ‘growth-pays-for-growth’ policy.”

This principle, in general, applies to water, wastewater, and storm drainage systems. In the excerpt above, customer-contributed-capital system charges are equivalent to capacity fees.

2.1. Capacity Fees Legal Framework and California Requirements

In establishing capacity fees, it is important to understand and comply with local laws and regulations governing the establishment, calculation, and implementation of capacity fees. The following sections summarize the regulations applicable to the development of capacity fees for the District.

Capacity fees must be established based on a reasonable relationship to the needs and benefits brought about by the development or expansion. Courts have long used a standard of reasonableness to evaluate the legality of development charges. The basic statutory standards governing capacity fees are embodied by California Government Code Sections 66013, 66016, 66022 and 66023. Government Code Section 66013 contains requirements specific to determining utility development charges:

“Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.”

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the charge; they must establish a nexus or relationship between a development project and the public improvement being financed with the charge.
- The capacity charge revenue must be segregated from the General Fund in order to avoid commingling of capacity fees and the General Fund.

2.2. Capacity Fees Methodology

Capacity fees are also commonly known as developer fees, development impact fees, connection fees, tap fees, and system development charges, among others. All are one-time capital charges, assessed against a new development (or intensified redevelopment), to recover the proportional share of capacity investment, previously constructed by a utility (or will be constructed), to accommodate growth. Capacity fees are codified in the California Government Code Sections 66000-60025. Capacity fees must reflect the link between the fee imposed on, and the benefit received by, a new connection to the system. The fee charged may not exceed the reasonable share of costs associated with providing the service.

Three different methodologies to calculate capacity fees exist: **buy-in, incremental, and hybrid**; with variations of each dictated by local community and system characteristics, as well as policy objectives. Utilities have broad latitude in the method and approach used to calculate fees provided the fees reflect the benefit of, and do not exceed the costs for, providing service to the connection. These fees are designed to be proportional to the burden placed on the system by new connections. The project team, which includes Raftelis and District staff, decided to use the buy-in approach given the system still has capacity to meet demand.

The “buy-in method” is based on the premise that new customers are entitled to service at the same price as existing customers. Under this approach, new customers pay only an amount equal to the current system value, either using the original cost, replacement cost, original cost less depreciation, or replacement cost less depreciation as the valuation basis. This net investment, or value of the system, is then divided by the current capacity of the system to determine the buy-in cost per unit. For example, if the existing system has 100 units of average use and the new connector uses an equivalent unit, then the new customer would pay 1/100 of the total value of the existing system. By contributing this capacity fee, the new connector has bought into the existing system. The user has effectively acquired a financial position on par with existing customers and will face future capital re-investment on equal financial footing with those customers. This approach is suitable when: (1) agencies have built most of their facilities and only a small portion of future facilities are needed for build-out, (2) agencies do not have a detailed adopted long-term capital improvement plan, or (3) the “build-out” date is so far out in the future that it is difficult to accurately project growth and required facilities with precision.

To estimate the asset value of existing facilities, Raftelis recommends the replacement cost less depreciation (RCLD) method. The current value of water facilities is materially affected by the effects of age. All assets have estimated useful lives, which vary by type. For example, pumps may have a 20-year life, buildings 50 years, and pipelines 80 years. Each year an asset is devalued by the fraction of its useful life to original cost. This is referred to as straight line or linear depreciation. At the end of an asset’s useful life, it is worth zero dollars on paper, though it may still be in service. Depreciation accounts for estimated devaluation in system assets caused by wear and tear, decay, inadequacy, and obsolescence. To provide appropriate recognition of the effects of depreciation on existing water systems, the original cost valuation can be inflated to today’s dollars rather than the value of the dollar when the asset was placed in service. Original cost and depreciation are inflated using historical indices to reflect today’s dollars. Replacement cost depreciation is then subtracted from the replacement cost of the asset to yield replacement cost less depreciation. RCLD allows for an accounting of system assets in present value while also accounting for proportional devaluation via depreciation.

3. Capacity Fees

This section discusses the review and development of an updated water capacity fee for the District.

3.1. Methodology

In California, the basic statutory standards governing water connection, or capacity, fees are embodied in Government Code Sections 66013 et seq. (The Mitigation Fee Act). An important requirement in designing capacity fees is enumerated in Government Code 66013, which requires that capacity fees must be based on an estimate of the reasonable cost of providing capacity. Thus, the primary objectives of establishing full cost recovery capacity fees are to achieve equity in distributing costs and to provide a mechanism by which new users can pay for the cost of the facilities required to serve them, without burdening existing users. In short, the goal of full cost recovery capacity fees is to ensure that growth pays its own way.

Several methods exist to calculate capacity fees. Three main computational approaches are discussed below.

3.1.1. Equity Buy-in Method

The buy-in concept is based on the premise that new users buy into the system and achieve a financial position that is on par with other existing users of the system. In publicly owned systems, most of the assets used to provide service are paid for by users through a system of rates, charges, and taxes. In service areas that experience growth in customers and in quantity of service provided, it is generally true that facilities used by previous customers now serve existing customers. Thus, it is the existing customers who have made the “up-front” investment in the existing system capacity including the unused or “surplus” capacity that is available to serve newly connecting customers.

To foster equity between existing and new users, the new users pay for the cost or value associated with equity of the existing user. If the existing system has 100 units of use and the new user requires one unit of use, then the new user would pay for 1/100 of the value of the existing system. This approach is termed the “equity buy-in” method because by paying for the required capacity, the new user buys into the existing system and thereby achieves financial parity with other existing users. Together, the new and existing users will face future capital challenges on equal footing since equivalent investments have been made. This method is applicable in situations where the existing system has adequate surplus capacity and does not require major upgrades or improvements.

3.1.2. Incremental Cost Method

The incremental method is based on the premise that new development (new users) should pay for the additional capacity and expansions necessary to serve the new development. This method is typically used where there is little or no capacity available to accommodate growth and expansion is needed to service the new development. Under the incremental method, growth-related capital improvements are allocated to new development based on their estimated usage or capacity requirements, irrespective of the value of past investments made by existing customers.

For instance, if it costs X dollars (\$X) to provide 100 additional equivalent units of capacity for average usage and a new connector uses one of those equivalent units, then the new user would pay \$X/100 to connect to the system. In other words, new customers pay the incremental cost of capacity. As with the equity buy-in

approach, new connectors will effectively acquire a financial position that is on par with existing customers. Use of this method is generally considered to be most appropriate when a significant portion of the capacity required to serve new customers must be provided by the construction of new facilities.

3.1.3. Hybrid

The hybrid approach is typically used where some capacity is available to serve new growth but additional expansion is still necessary to accommodate new development. Under the hybrid approach the capacity fee is based on the summation of the existing capacity and any necessary expansions. In utilizing this methodology, it is important that system capacity costs are not double counted when combining costs of the existing system with future costs from the capital improvement program. Capital costs associated with repair and replacement of the existing system should not be included in the calculation, unless specific existing facilities that will be replaced through the capital improvement program can be isolated and removed from the existing asset inventory and cost basis. In this case, the rehabilitative costs of the capital projects essentially replace the cost of the relevant existing assets in the existing cost basis. Capital improvements that expand system capacity to serve future customers may be included proportionally to the percentage of the cost specifically required for expansion of the system.

3.1.4. Proposed Approach

The approach used in determining capacity fees needs to reflect the system characteristics in addition to meeting regulatory requirements and policy considerations. In determining the District's capacity fees, we recommend the equity buy-in method as the District has no growth projects planned and still has sufficient existing capacity to meet additional demands from new customers.

For the equity buy-in approach, we used the replacement cost less depreciation (RCLD) method to determine the value of the system. This method considers the cost to build new facilities but recognizes that capacity available in existing facilities is not new and is adjusted for depreciation.

3.2. Water Capacity Fee

The District only assesses a capacity fee on new development in Service Area 1 as it owns and operates a water supply, transmission, and distribution system within this area. Within Service Area 2, the Sacramento County Water Agency owns and operates the transmission and supply system, the backbone assets of that system. The District owns the distribution system. Therefore, the District does not assess a capacity fee for new customers in Service Area 2; that is done by the Sacramento County Water Agency.

To determine the water system capacity cost (fee), Raftelis calculated the replacement cost of the Service Area 1 backbone system as of December 2022 by inflating historical costs using the annual average Engineering News Record (ENR) Construction Cost Index (CCI) for San Francisco. The backbone system represents those assets such as water supply, treatment, and transmission that are for the benefit of all customers. Assets that serve a portion of the customers are considered non-backbone and are not included in the calculation. To recognize that Service Area 1 is not new, Raftelis subtracted the accumulated depreciation of its backbone assets from the replacement cost to determine the value of the RCLD of Service Area 1 assets. The RCLD of Service Area 1 for the mid-point of FYE 2022 is shown in Line 1 of Table 3-1. Outstanding debt principal is subtracted from this value because the bond or loan holders "own" that portion of the asset value. Additionally, when new users join Service Area 1, they will be responsible for debt payments through the regular fees and charges. New users also benefit from the District's cash reserves, which represent equity

existing users have added to the system. Therefore we subtract outstanding debt (Line 2) and add in cash reserves (Line 3). The resulting value in Line 4 is the adjusted system value.

Table 3-1: Water Capacity Fee Calculation

Line No.	Basis of Proposed Water Capital Fee	Equity Buy-in
	Existing Equity Buy-In Component	RCLD-Total
1	SA1 Backbone System Value	\$ 48,877,117
2	Less SA 1 Outstanding Debt Principal (1)	\$ 21,488,535
3	SA1 Cash on Hand (1)	\$ 10,067,262
4	Adjusted System Value	\$ 37,455,844
5	Number of Equivalent Meters (EM) in Service Area 1	8,725
6	Buy-in Unit Charge @ 1" Meter, \$/EM	\$ 4,292

(1) Allocated to SA1 based on RCLD asset valuation.

We divide the adjusted system value by the number of existing equivalent meters (Line 5) in Service Area 1 to determine the capacity fee for an equivalent meter. The resultant fee for an equivalent 1-inch meter is shown in Table 3-1, Line 6.

Equivalent meters shown in Line 5 of Table 3-1 are calculated using a hydraulic capacity (capacity) ratio. The capacity ratio is based on meter hydraulic capacity and is calculated to represent the potential demand on the water system compared to the base meter size. A ratio of hydraulic capacity is calculated by dividing the capacity of a meter at a given size by the base meter capacity using the maximum safe operating flow rates in gallons per minute (gpm). The base meter used in the study is the 1" meter, which is the most common meter size in the District's water system.

Table 3-2 shows the meter capacity and capacity ratio for each meter size. The capacity in gpm is based on the safe operating flow rates provided in the AWWA Manual M1 for the most common meter types used by the District. These ratios reflect an update to the ratios used in prior studies. The capacity ratios (Column C) are calculated by dividing the capacity in gpm (Column B) for each meter size (Column A) by the capacity in gpm for the 1" meter (Column B, Line 1). Column E shows the estimated equivalent meters for Service Area 1 based on the capacity ratio. Meter counts (Column D) at each size are multiplied by the capacity ratio (Column C) to arrive at the total number of equivalent meters. The total number of equivalent meters (Column E, Line 7) matches the number shown in Line 5 of Table 3-1.

Table 3-2: Equivalent Meters

Line No.	Meter (A)	Capacity (gpm) (B)	AWWA Ratio (C)	Service Area 1 Meters (D)	Equivalent Meter (E)
1	1"	50	1.0	7,686	7686
2	1 1/2"	100	2.0	43	86
3	2"	160	3.2	221	707
4	3"	350	7.0	18	126
5	4"	600	12.0	10	120
6	6"	1350	27.0	0	0
7	Total			7,978	8,725

Table 3-3 presents the proposed and existing capacity fees for new water customers in Service Area 1. The proposed fee for each meter size is calculated by multiplying the 1” fee by the corresponding capacity ratio.

Table 3-3: Proposed and Existing Water Capacity Fees

Meter Size	EM	Proposed	Current
	Capacity Ratio	\$/EM	\$/EDU (\$/EM)
1"	1.0	\$4,292	\$4,479
1 1/2"	2.0	\$8,584	\$8,958
2"	3.2	\$13,734	\$14,333
3"	7.0	\$30,044	\$26,874
4"	12.0	\$51,504	\$44,790
6"	27.0	\$115,884	\$89,580

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Stefani Phillips, Board Secretary and Patrick Lee, Treasurer

SUBJECT: **CONSENT CALENDAR**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors approve Florin Resource Conservation District Consent Calendar items a – h.

SUMMARY

Consent Calendar items a – h are standing items on the Regular Board Meeting agenda.

By this action, the Florin Resource Conservation District (FRCD) Board of Directors will approve FRCD Consent Calendar items a – h.

DISCUSSION

Background

Consent Calendar items are standing items on the Regular Board Meeting agenda.

Present Situation

Consent Calendar items a – h are standing items on the Regular Board Meeting agenda.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to the FRCD/Elk Grove Water District 2020-2025 Strategic Plan. The monthly Consent Calendar report provides transparency, which aligns with Goal No. 1, Governance and Customer Engagement, of the Strategic Plan 2020-2025.

July 18, 2023

CONSENT CALENDAR

Page 2

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully submitted,



STEFANI PHILLIPS
BOARD SECRETARY

And



PATRICK LEE
TREASURER

Attachments

MINUTES OF THE REGULAR MEETING OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS

Tuesday, June 20, 2023

The regular meeting of the Florin Resource Conservation District Board of Directors was called to order at 6:30 p.m. by Chair Tom Nelson at 9829 Waterman Road, Elk Grove, CA.

Call to Order, Roll Call, and Pledge of Allegiance.

Directors Present: Tom Nelson, Paul Lindsay, Lisa Medina, Elliot Mulberg, Sophia Scherman
Directors Absent: None
Staff Present: Bruce Kamilos, General Manager; Patrick Lee, Finance Manager/
Treasurer; Stefani Phillips, Human Resources Administrator/Board
Secretary; Travis Franklin, Program Manager; Donella Murillo, Finance
Supervisor; Ben Voelz, Associate Engineer; Amber Kavert, Human
Resources Technician
Staff Absent: None
Associate Directors Present: None
Associate Directors Absent: None
General Counsel Present: Ren Nosky, JRG Attorneys at Law
Public Present: Andrew Ramos, Bartkiewicz, Kronick & Shanahan; Kim Martin

Public Comment

No comment.

1. Proclamations and Announcements

Nothing to report.

2. Florin Resource Conservation District Board of Director Appointment

Board Secretary Stefani Phillips presented the item to the Florin Resource Conservation District (FRCD) Board of Directors (Board).

In summary, the Board is made up of five (5) board members whose eligibility is governed by Division 9 of the Public Resources Code. In accordance with Division 9, Board members must meet the following requirements: 1) Directors (Candidates) must be a registered voter, 2) Reside within the district, and either own real property in the district or alternatively have served, pursuant to the district's rules, for two years or more as an associate director providing advisory or other assistance to the board of directors; or 3) Be a designated agent of a resident landowner within the district.

It was recently determined that the status of living outside of the FRCD boundaries caused Director Lisa Medina to be ineligible to serve on the Board. Consistent with law, staff posted the Notice of Vacancy for 15 days and the Board can now fill the vacant seat by appointment. There was one (1) candidate who submitted documentation, Lisa Medina. Staff confirmed that she had become a designated agent of a resident landowner within the District, thereby meeting the requirements of the California Public Resources Code, Section 9352.

Director Sophia Scherman nominated candidate, Lisa Medina for Board of Director, to which Director Elliot Mulberg seconded.

MSC (Scherman/Mulberg) to appoint Lisa Medina as Director to the Florin Resource Conservation District Board of Directors. 4/0: Ayes: Lindsay, Nelson, Mulberg and Scherman

Director Lisa Medina joined the Board up at the dais.

3. **Consent Calendar**

- a. Minutes of Regular Board Meeting of May 16, 2023
- b. Minutes of Special Board Meeting of May 25, 2023
- c. Accounts Payable Check History – May 2023
- d. Board and Employee Expense/Reimbursements – May 2023
- e. Active Accounts – May 2023
- f. Bond Covenant Status for FY 2022-23 – May 2023
- g. CASH - Detail Schedule of Investments– May 2023
- h. Consultants Expenses – May 2023
- i. Major Capital Improvement Projects – May 2023

Item c was pulled for questions. Staff provided answers to the questions.

MSC (Lindsay/Scherman) to approve Florin Resource Conservation District Consent Calendar items a-i. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg, and Scherman

4. **Year to Date Revenue and Expenses Compared to Budget – May 2023**

Finance Manager Patrick Lee provided an update on the Year to Date Revenue and Expenses Compared to Budget for the month of May to the Board.

5. **Florin Resource Conservation District Associate Director Appointment**

Ms. Phillips presented the item to the Board.

In summary, an application for Associate Director to the Board was submitted by Kimberly Martin. She submitted all required documents per the Associate Directors Policy. Ms. Martin was a member of the 2024-28 Water Rate Study Community Advisory Committee. The Board provided positive feedback about Ms. Martin.

MSC (Mulberg/Medina) to appoint Kimberly Martin as Associate Director to the Florin Resource Conservation District Board of Directors. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman.

6. **General Manager Employment Agreement Amendment**

Ms. Phillips presented the item to the Board.

In summary, the current Employment Agreement between General Manager Bruce Kamilos and the FRCD does not cover the inclusivity of the General Manager relative to future compensation study recommendations. The amendment would add language to allow for that inclusivity.

After a short discussion, the Board asked that the word “shall” be replaced with “may” in the amended language.

MSC (Lindsay/Scherman) to approve the amendment to the Employment Agreement between the Florin Resource Conservation District and Bruce Kamilos. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman

7. **Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2023-24 Operating Budget**

Mr. Lee provided background on the Fiscal Year (FY) 2023-24 operating budget (Budget) process. He informed the Board that all comments received at the May board meeting were incorporated into the final proposed budget.

Director Elliot Mulberg asked that the Board consider not approving the Budget to work on creating a more balanced budget. The Board discussed approving the Budget and striving for a balanced budget for FY 2024-25.

MSC (Medina/Lindsay) to adopt Resolution No. 06.20.23.01, approving the Florin Resource Conservation District/Elk Grove Water District Fiscal Year 2023-24 Proposed Operating Budget projecting revenues of \$16.397 million and expenses of \$18.492 million and appropriating \$2.095 million from operating reserves to fund expenses in excess of revenues for Fiscal Year 2023-24, and strive for a balanced budget for Fiscal Year 2024-25. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman.

8. Elk Grove Water District Employee Policy Manual Amendment – Overtime Pay

Mr. Kamilos presented the amendment to the Board.

In summary, the District relies on staff to respond to emergency events or take on-call duty to support the District's critical operations. The District's current Overtime Pay policy for non-exempt employees does not incentivize employees in some cases to do this. To address this situation, staff prepared an amendment to the Elk Grove Water District Employee Policy Manual to compensate non-exempt employees who may be called out to work after regular hours of work at the overtime rate of one and a half (1.5) times the employee's regular rate of pay, regardless of whether the employee has worked a full workday or a full 40-hour work week.

MSC (Medina/Scherman) to adopt Resolution No. 06.20.23.02, amending the 2019 Elk Grove Water District Employee Policy Manual, Section 4.2.7, Overtime Pay. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman.

9. Fiscal Year 2023-24 Investment Policy Guideline

Mr. Lee presented the 2023-24 Investment Policy Guidelines, stating there have been no changes from the previous year.

MSC (Scherman/Lindsay) to adopt Resolution No. 06.20.23.03, approving the Fiscal Year 2023-24 Investment Policy Guidelines of the Florin Resource Conservation District and delegating investment authority to the Finance Manager/Board Treasurer. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman.

10. Resolution Honoring General Counsel Ren Nosky

Mr. Kamilos presented a Resolution to General Counsel Ren Nosky, honoring him for his five (5) years of service to the District.

MSC (Lindsay/Mulberg) to adopt Resolution No. 06.20.23.04 honoring Ren Nosky for his service as General Counsel to the Florin Resource Conservation District. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg, and Scherman.

11. Agreement for Legal Services Between the Florin Resource Conservation District and Bartkiewicz, Kronick, & Shanahan

Mr. Kamilos presented the agreement to the Board.

MSC (Lindsay/Scherman) to authorize the General Manager to execute the Agreement for Legal Services between the Florin Resource Conservation District and Bartkiewicz, Kronick & Shanahan. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman.

12. California Special Districts Association Board of Directors 2023 Election of Board of Director for Seat C – Sierra Network

Ms. Phillips presented the item to the Board.

In summary, the California Special Districts Association is holding an election for Board of Director, Seat C - Sierra Network. The term for Seat C is January 1, 2024, through December 31, 2026. The ballot deadline is July 14, 2023, by 5:00PM. There are four (4) candidates selected for the election and who have provided candidate information. The Board discussed which candidate to vote for, choosing Peter Campo.

MSC (Mulberg/Lindsay) to elect Peter Campo for Seat C - Sierra Network for the 2023 election of the California Special Districts Association Board of Directors. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg and Scherman.

13. Nomination of Sacramento Local Agency Formation Commission Special District Commissioner

Ms. Phillips presented the item to the Board.

In summary, the Sacramento Local Agency Formation Commission (LAFCo) is soliciting nominations for one (1) Special District Commissioner to serve a four (4) year term beginning January 1, 2024. The nominations for the Commissioner will be accumulated and a ballot will be sent to each agency for voting.

After a short discussion, Vice-chair Paul Lindsay expressed interest in running for the position.

MSC (Mulberg/Medina) to nominate Director Paul Lindsay to serve as a Special District Commissioner to Office No. 7 on the Sacramento Local Agency Formation Commission. 5/0: Ayes: Lindsay, Nelson, Medina, Mulberg, and Scherman.

Director Sophia Scherman excused herself for the evening.

14. Legislative Matters and Potential Direction to Staff

Mr. Franklin presented the current legislative matters to the Board.

15. General Manager's Report

Mr. Kamilos presented the item to the Board. This month, he read a letter from a customer giving kudos to Water Distribution Operator Sean Hinton and the Distribution department on the great customer service they provided him.

16. Elk Grove Water District Operations Report – May 2023

Mr. Kamilos presented the EGWD Operations Report – May 2023 to the Board.

17. Directors Comments

Director Elliot Mulberg brought up the idea of the District contracting with Sacramento County Water Agency to help with leaks, explaining it is still within the FRCD boundaries. Staff will investigate logistics for future discussion.

Adjourn to Regular Board Meeting on June 20, 2023.

Respectfully submitted,

Stefani Phillips

Stefani Phillips, Board Secretary

AK/SP

Check History Report

6/1/2023 to 6/30/2023

Check Number	Check Date	Vendor Number	Vendor Name	Check	Explanation
057598	6/7/2023	ACWAJPI	CB&T/ ACWA-JPIA	62,483.00	Medical Benefits - July 2023
057599	6/7/2023	AMAZON	AMAZON CAPITAL SERVICES	299.09	
057600	6/7/2023	B WAGNE	BRANDON WAGNER	217.50	Boot Reimbursement
057601	6/7/2023	BEN RES	BENEFIT RESOURCE, INC	150.00	
057602	6/7/2023	BRENNTA	BRENNTAG PACIFIC, INC	2,846.43	Materials - Treatment
057603	6/7/2023	BSK4	BSK ASSOCIATES	9,197.00	Sampling - Treatment
057604	6/7/2023	CINTAS2	CINTAS	181.34	
057605	6/7/2023	CONSOLI	CONSOLIDATED COMMUNICATIONS	1,624.72	Ethernet Service/Phones-MOC/ADMIN
057606	6/7/2023	COUNTY4	SACRAMENTO COUNTY UTILITIES	496.04	
057607	6/7/2023	COVER A	COVERALL NORTH AMERICA, INC	1,549.00	Janitorial Services -ADMIN/OPS
057608	6/7/2023	CR KAED	KATHLEEN EDDY	129.79	Account Closed - Customer Refund
057609	6/7/2023	CRF JFO	JUDITH FORD	115.11	Account Closed - Customer Refund
057610	6/7/2023	CRF JLD	JEFFREY L. DAWKINS, SR.	56.27	Account Closed - Customer Refund
057611	6/7/2023	CRF MMR	M&M REAL ESTATE	100.00	Account Closed - Customer Refund
057612	6/7/2023	CRF NDA	NICK DALEO	150.00	Account Closed - Customer Refund
057613	6/7/2023	CRF SMA	SUSAN MAVAR	700.00	Account Closed - Customer Refund
057614	6/7/2023	CRF SYL	SYLVIA HARRIS	78.22	Account Closed - Customer Refund
057615	6/7/2023	CRFMBUM	MICHELLE BUMB	124.65	Account Closed - Customer Refund
057616	6/7/2023	CRFOLD3	OLD REPUBLIC TITLE COMPANY	1.74	Account Closed - Customer Refund
057617	6/7/2023	CRFSTEK	SHEERITA TEKLAY	8.05	Account Closed - Customer Refund
057618	6/7/2023	DATAPRO	DATAPROSE LLC	9,241.96	Monthly Billing, PROP 218 Mailer Postage
057619	6/7/2023	FAC	FORENSIC ANALYTICAL	450.00	Negative Exposure Training
057620	6/7/2023	FREDER	DAVID FREDERICK	86.01	Boot Reimbursement
057621	6/7/2023	HANFORD	HANFORD SAND & GRAVEL, INC	3,165.53	(2) Invoices - Materials - Water Main Replacement Project
057622	6/7/2023	JAYS	JAY'S TRUCKING SERVICE	5,981.79	(3) Invoices - Materials and Dump Fees - CIP Water Main Replacement
057623	6/7/2023	MCCLAT	MCCLATCHY COMPANY LLC	795.00	Online Recruitment - Associate Board Member
057624	6/7/2023	PACE	PACE SUPPLY CORP	3,123.65	(3) Invoices - Materials and Dump Fees - Distribution, CIP Water Main Replacement
057625	6/7/2023	PEST	PEST CONTROL CENTER INC	85.00	
057626	6/7/2023	RADIAL	RADIAL TIRE OF ELK GROVE	2,967.30	(2) - Repairs and Maintenance -OPS Vehicles
057627	6/7/2023	ROOCO	ROOCO RENTS	4,901.60	(2) Invoices - Materials - CIP Water Main Replacement Project
057628	6/7/2023	SHELL	WEX BANK	4,157.53	Fuel
057629	6/7/2023	SIERRA	SIERRA OFFICE SUPPLIES	16.37	
057630	6/7/2023	SMUD	SMUD	4,591.34	
057631	6/7/2023	SMUD	SMUD	790.66	
057632	6/7/2023	SMUD	SMUD	5,293.24	
057633	6/7/2023	SMUD	SMUD	9,951.68	
057634	6/7/2023	SMUD	SMUD	2,225.03	
057635	6/7/2023	SMUD	SMUD	46.35	
057636	6/7/2023	SMUD	SMUD	6,418.23	
057637	6/7/2023	SMUD	SMUD	2,326.41	
057638	6/7/2023	SMUD	SMUD	530.54	
057639	6/7/2023	SOUTHWE	SOUTHWEST ANSWERING SERVICE,	813.19	
057640	6/7/2023	TEICH A	TEICHERT AGGREGATES	1,488.03	Materials - CIP Water Replacement Project
057641	6/7/2023	TRE&TRA	TRENCH & TRAFFIC SUPPLY	4,380.99	(6) Invoices - Rental Equipment - CIP Water Main Replacement
057642	6/7/2023	VERIZON	VERIZON WIRELESS	585.93	MIFI & On call Phone Services
057643	6/7/2023	WALKER	WALKER KREATIVE	1,900.00	Social Media Public Outreach Campaign
057644	6/14/2023	ADV SWE	ADVANCED SWEEPING LLC	540.00	Contracted Service - Sweeping Service - CIP Water Main Replacement Project
057645	6/14/2023	AMAZON	AMAZON CAPITAL SERVICES	346.45	
057646	6/14/2023	AQUA	AQUA SIERRA CONTROLS, INC	205.00	

057647	6/14/2023	B KENT	BRANDON KENT	350.00	Boot Reimbursement
057648	6/14/2023	BG SOLU	SOLUTIONS BY BG INC.	9,842.56	Daily Tasks/Help Tickets
057649	6/14/2023	BSK4	BSK ASSOCIATES	470.00	Sampling - Treatment
057650	6/14/2023	CAL CUT	CALIFORNIA CUT & CORE, INC	400.00	Contracted Services - Flat Saw - CIP Water Main Replacement Project
057651	6/14/2023	CHECK P	CHECK PROCESSORS, INC	343.60	
057652	6/14/2023	CRF ABC	ABC PLUMBING	2,788.98	Construction Permit Refund
057653	6/14/2023	CS AH	CARD SERVICES	867.75	Repairs and Maintenance for Equipment, Fuel, Tool
057654	6/14/2023	CS CP	CARD SERVICES	43.39	Fuel
057655	6/14/2023	CS SH	CARD SERVICES	863.84	Materials, Tools
057656	6/14/2023	CS SP	CARD SERVICES	653.34	Materials, Meals, Employee Recognition
057657	6/14/2023	DB COLS	DB CONSTRUCTIONAL LANDSCAPE	3,150.00	Landscape & Maintenance - Wellsite's & Offices
057658	6/14/2023	DITCH 3	DITCH WITCH WEST	1,737.34	(3) Invoices - Repairs and Maintenance - Equipment - Distribution
057659	6/14/2023	JAYS	JAY'S TRUCKING SERVICE	5,044.14	(2) Invoices - Materials and Dump Fees - CIP Water Main Replacement
057660	6/14/2023	LANSET	LANSET AMERICA	1,433.60	Offsite Disaster Recovery
057661	6/14/2023	OREILLY	O'REILLY AUTO PARTS	15.21	
057662	6/14/2023	RAFT	RAFTELIS	2,004.69	Water Rate and Connection Fee Study
057663	6/14/2023	ROB SNO	ROBERT W. SNOW, PLS 8813	1,450.00	Easement Survey - Locust Street - CIP Water Main Replacement Project
057664	6/14/2023	ROOCO	ROOCO RENTS	6,649.69	(2) Invoices - Materials - CIP Water Main Replacement Project
057665	6/14/2023	SIERRA	SIERRA OFFICE SUPPLIES	643.57	
057666	6/14/2023	TEICH A	TEICHERT AGGREGATES	1,927.35	(3) Invoices - Materials - CIP Water Replacement Project
057667	6/14/2023	WHITECA	WHITE CAP L.P.	728.63	Materials - CIP Water Replacement Project
057668	6/21/2023	AMAZON	AMAZON CAPITAL SERVICES	542.25	
057669	6/21/2023	BAY 3	BAY ALARM COMPANY	480.00	
057670	6/21/2023	BSK4	BSK ASSOCIATES	391.00	Sampling - Treatment
057671	6/21/2023	CALIFOR	CALIFORNIA SURVEYING	75.87	
057672	6/21/2023	CINTAS2	CINTAS	362.68	
057673	6/21/2023	CLOW VA	CLOW VALVE COMPANY	1,475.00	*Annual Software Program - lhydrant
057674	6/21/2023	COUNTY4	SACRAMENTO COUNTY UTILITIES	288.23	
057675	6/21/2023	CR JDCU	JAGJIT DCUNHA	62.61	Account Closed - Customer Refund
057676	6/21/2023	CRF CLO	CLOTEAL HERRON	51.74	Account Closed - Customer Refund
057677	6/21/2023	CRF DGA	DESILVA GATES	2,600.33	Construction Permit Refund
057678	6/21/2023	CRF HEM	HEMINGTON LANDSCAPE SERVICES	1,875.65	Construction Permit Refund
057679	6/21/2023	CRF HEM	HEMINGTON LANDSCAPE SERVICES	1,657.62	Construction Permit Refund
057680	6/21/2023	CRF HEM	HEMINGTON LANDSCAPE SERVICES	1,851.23	Construction Permit Refund
057681	6/21/2023	CRF JBI	JOSEFINA BIGORNIA	90.59	Account Closed - Customer Refund
057682	6/21/2023	CRF JJO	JOE JOYNER	54.40	Account Closed - Customer Refund
057683	6/21/2023	CRF KMU	KEVIN MUNDAY	63.43	Account Closed - Customer Refund
057684	6/21/2023	CRF LAU	LAURIE A. DAPELO	78.79	Account Closed - Customer Refund
057685	6/21/2023	CRF PAG	PAUL GOETZ	96.95	Account Closed - Customer Refund
057686	6/21/2023	CRF R R	REALTY ROUNDUP	4.56	Account Closed - Customer Refund
057687	6/21/2023	CRF TGI	THUY GIAO	147.31	Account Closed - Customer Refund
057688	6/21/2023	CRF TTR	TUAN TRAN	26.94	Account Closed - Customer Refund
057689	6/21/2023	CRFDMAR	DAVID MARTCHENKE	71.73	Account Closed - Customer Refund
057690	6/21/2023	CRFMARP	MARGUERITE POLLARD	53.07	Account Closed - Customer Refund
057691	6/21/2023	CRFNAS	NAOMI SANTIAGO	51.55	Account Closed - Customer Refund
057692	6/21/2023	CRJENNG	JENNIFER GONZALEZ	79.69	Account Closed - Customer Refund
057693	6/21/2023	CRT AHO	ANITA HOSMEISTER	50.39	Account Closed - Customer Refund
057694	6/21/2023	CS BK	CARD SERVICES	7,259.53	Hotel, Meals, Parking, Conference, Software Programs
057695	6/21/2023	CS DM	CARD SERVICES	280.67	Software Programs
057696	6/21/2023	CS SS	CARD SERVICES	107.01	Supplies
057697	6/21/2023	KEVIN Y	KEVIN YOUNG CONCRETE	3,000.00	Contracted Services - Repair Concrete - 9461 Batey Ave
057698	6/21/2023	PACE	PACE SUPPLY CORP	3,440.44	(2) Materials - CIP Water Main Replacement Project
057699	6/21/2023	PG&E	PACIFIC GAS & ELECTRIC COMPANY	29.84	
057700	6/21/2023	PRE ALL	PREFERRED ALLIANCE, INC	53.00	

057701	6/21/2023	RADIAL	RADIAL TIRE OF ELK GROVE	1,018.82	(4) Invoices - Repairs and Maintenance - OPS Vehicles
057702	6/21/2023	SAC 5	SACRAMENTO COUNTY	20.00	Lien Release
057703	6/21/2023	SAC 5	SACRAMENTO COUNTY	20.00	Lien Release
057704	6/21/2023	SAC 5	SACRAMENTO COUNTY	20.00	Lien Release
057705	6/21/2023	SAC 5	SACRAMENTO COUNTY	20.00	Lien Release
057706	6/21/2023	SIERRA	SIERRA OFFICE SUPPLIES	104.50	
057707	6/21/2023	STEF CH	STEFAN CHANH	260.99	Boot Reimbursement
057708	6/21/2023	TEICH A	TEICHERT AGGREGATES	997.04	Materials - Utility Crew
057709	6/21/2023	TRE&TRA	TRENCH & TRAFFIC SUPPLY	1,295.16	(3) Invoices - Rental Equipment - CIP Water Main Replacement Project
057710	6/21/2023	ULTRA	ULTRA TRUCK WORKS, INC	237.29	
057711	6/21/2023	US BANK	U.S. BANCORP EQUIPMENT FIN INC	816.94	Copier - ADMIN
057712	6/21/2023	USS	UNITED SITE SERVICES	1,219.56	Facilities - Utility Crew
057713	6/28/2023	AFLAC	AFLAC	2,167.38	
057714	6/28/2023	AMAZON	AMAZON CAPITAL SERVICES	374.95	
057715	6/28/2023	BACK TE	BACKFLOW TECHNOLOGIES, INC	1,105.00	Contracted Services - Backflow Testing
057716	6/28/2023	BG SOLU	SOLUTIONS BY BG INC.	9,122.50	Daily Tasks/Help Tickets
057717	6/28/2023	BSK4	BSK ASSOCIATES	7,286.50	Sampling - Treatment
057718	6/28/2023	CCHTC	CHICAGO TITLE COMPANY	28.84	Account Closed - Customer Refund
057719	6/28/2023	CHIC12	CHICAGO TITLE COMPANY	80.38	Account Closed - Customer Refund
057720	6/28/2023	CINTAS	CINTAS	210.39	
057721	6/28/2023	CINTAS2	CINTAS	377.54	
057722	6/28/2023	COUNTY3	COUNTY OF SACRAMENTO	90.00	
057723	6/28/2023	CR LTI	LENNAR TITLE	87.37	Account Closed - Customer Refund
057724	6/28/2023	CRCT 2	CHICAGO TITLE	37.99	Account Closed - Customer Refund
057725	6/28/2023	CRF AGN	AGRIPINO NAZARENO	95.75	Account Closed - Customer Refund
057726	6/28/2023	CRF CTR	CHANEL T. TROUNG	78.02	Account Closed - Customer Refund
057727	6/28/2023	CRF KUN	KUNZITE RESIDENTIAL INC	110.19	Account Closed - Customer Refund
057728	6/28/2023	CRF MJD	MARIA DUBRAY & JOHN DUBRAY	1.97	Account Closed - Customer Refund
057729	6/28/2023	CRF NDA	NICK DALEO	56.27	Account Closed - Customer Refund
057730	6/28/2023	CRF NRA	NICOLE RANEY	74.33	Account Closed - Customer Refund
057731	6/28/2023	CRF PLA	PLACER TITLE COMPANY	16.94	Account Closed - Customer Refund
057732	6/28/2023	CRF PRJ	PRAKASH JAIN	68.99	Account Closed - Customer Refund
057733	6/28/2023	CRF RHF	RHONDA PHILLIPS	86.27	Account Closed - Customer Refund
057734	6/28/2023	CRF SSM	SAMUEL SMITH	2,004.21	Account Closed - Customer Refund
057735	6/28/2023	CRFFTC	FIRST AMERICAN TITLE COMPANY	145.75	Account Closed - Customer Refund
057736	6/28/2023	CRFOCT2	ORANGE COAST TITLE CO.	96.38	Account Closed - Customer Refund
057737	6/28/2023	CRWHITE	WHITE HORSE HOME INC	102.15	Account Closed - Customer Refund
057738	6/28/2023	CS BV	CARD SERVICES	15.27	Meals
057739	6/28/2023	DATAPRO	DATAPROSE LLC	508.82	Drop Slips - CCR
057740	6/28/2023	DELPHIA	DELPHIA CONSULTING, LLC	880.00	Contracted Services - Payroll & HR
057741	6/28/2023	FLORIN	FLORIN AUTOMOTIVE REPAIR	307.51	Repairs and Maintenance - OPS Vehicle
057742	6/28/2023	GRAINGE	GRAINGER	144.33	
057743	6/28/2023	JRG	JRG ATTORNEYS, LLP	3,302.00	Legal - May 2023
057744	6/28/2023	LUND	LUND CONSTRUCTION, INC	2,689.89	Construction Permit Refund
057745	6/28/2023	PEST	PEST CONTROL CENTER INC	84.00	
057746	6/28/2023	RADIAL	RADIAL TIRE OF ELK GROVE	138.33	
057747	6/28/2023	ROOCO	ROOCO RENTS	2,475.30	Materials - Water Main Replacement Project
057748	6/28/2023	SAC 5	SACRAMENTO COUNTY	20.00	Lien Release
057749	6/28/2023	SUMMIT	AIR WORKS INC	255.00	
057750	6/28/2023	SWRCB2	SWRCB-DWOCF	60.00	Certification Renewal T2 - Sean Hinton
057751	6/28/2023	TRE&TRA	TRENCH & TRAFFIC SUPPLY	2,845.00	(6) Invoices - Rental Equipment - Water Main Replacement
057752	6/28/2023	VALLEYO	VALLEY OAK PRESS, INC.	132.00	Public Notice - Water Service Rates and Water Connections Fees

Total: 269,868.35

BOARD AND EMPLOYEE MONTHLY EXPENSE/REIMBURSEMENTS

As of 06/30/2023

INDIVIDUAL	DESCRIPTION	AMOUNT PAID
Stefan Chanh	Boot Reimbursement	\$260.99
Bruce Kamilos	Hotel 2023 ACWA Conference	\$1,548.22
Brandon Kent	Boot Reimbursement	\$350.00
Paul Lindsay	Hotel 2023 ACWA Conference	\$1,548.22
Elliot Mulberg	CSDA Conference	\$675.00
Tom Nelsom	Hotel 2023 ACWA Conference	\$1,446.02
Brandon Wagner	Boot Reimbursement	\$217.50
		\$6,045.95

Active Account Information
As of 06/30/2023

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Water Accounts:												
Metered												
Residential	12,303	12,292	12,293	12,289	12,300	12,299	12,302	12,298	12,296	12,297	12,303	12,324
Commercial	361	361	360	361	360	360	360	360	360	360	360	362
Irrigation	185	187	186	186	186	187	187	188	188	188	191	191
Fire Service	186	186	187	187	187	187	187	187	187	188	188	190
Total Accounts	13,035	13,026	13,026	13,023	13,033	13,033	13,036	13,033	13,031	13,033	13,042	13,067

Active Account Information
FY 2021/2022

	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Water Accounts:												
Metered												
Residential	12,305	12,318	12,300	12,309	12,299	12,312	12,300	12,293	12,312	12,297	12,293	12,314
Commercial	362	363	362	362	362	363	362	362	362	366	361	361
Irrigation	183	183	183	183	183	183	184	184	185	186	184	185
Fire Service	183	183	183	183	183	184	184	184	185	188	185	186
Total Accounts	13,033	13,047	13,028	13,037	13,027	13,042	13,030	13,023	13,044	13,037	13,023	13,046

**Bond Covenant Status
For Fiscal Year 2022-23
As of 06/30/2023**

Operating Revenues:	
Charges for Services	\$ 15,914,508
 Operating Expenses:	
Salaries & Benefits	4,186,711
Seminars, Conventions and Travel	36,723
Office & Operational	1,225,214
Purchased Water	3,127,819
Outside Services	853,936
Equipment Rent, Taxes, and Utilities	<u>510,743</u>
Total Operating Expenses	9,941,146
 Net Operating Income	 <u><u>\$ 5,973,361</u></u>
 Annual Interest & Principal Payments	
\$3,883,204	\$ 3,883,204 (1)
 Debt Service Coverage Ratio, YTD Only:	 1.54
 Required	 1.15

Notes

1. Reflects budget divided by number of months year to date.
However, first Principal/Interest Payments made in September.
Projected Annual Budget Coverage Ratio is **1.29**

**CASH - Detail Schedule of Investments
As of 06/30/2023**

<u>G/L Account / Fund</u>	<u>Account number / name</u>	<u>Investment Name</u>	<u>Investment Type</u>		<u>Restrictions</u>	<u>Market Value</u>			
HELD BY BOND TRUSTEE:									
1110-000-20 Water	BNY 892744 FRCD 2014A DEBT SERVICE	Dreyfus Inst Treasury	MM Mutual Fund		Restricted	0.00			
1112-000-20 Water	BNY 743850 FRCD 2016A DEBT SERVICE	Dreyfus Inst Treasury	MM Mutual Fund		Restricted	0.00			
					Subtotal	\$ -			
1001-000-20 Water	Cash on Hand				Unrestricted	\$ 300.00			
HELD BY F&M BANK:									
1011-000-10 FRCD	F&M 08-032009-01 CHECKING ACCOUNT				Unrestricted	Closed Out Account			
1011-000-20 Water	F&M 08-032017-01 OPERATING ACCOUNT				Unrestricted	3,528,064.89			
1084-000-20 Water	F&M 08-03201702-31 MONEY MARKET			0.25%	Unrestricted	1,108,916.79			
1031-000-20 Water	F&M 08-032912-01 CREDIT CARD ACCOUNT				Unrestricted	584,274.52			
1061-000-20 Water	F&M 08-032890-01 PAYROLL ACCOUNT				Unrestricted	190,646.09			
1071-000-20 Water	F&M 08-032920-01 DRAFTS ACCOUNT				Unrestricted	339,222.13			
					Subtotal	\$ 5,751,124.42			
INVESTMENTS									
1080-000-20 Water	Office of the Treasurer - Sacramento California	LAIF	Investment Pool	2.99%	Unrestricted	\$ 5,576,204.64			
1081-000-20 Water	CALTrust Medium Term		Investment	1.94%	Unrestricted	\$ 1,351,640.74			
1082-000-20 Water									
	<u>PURCHASE DATE</u>	<u>CUSIP</u>	<u>ISSUED BY</u>	<u>CALL DATE</u>	<u>MATURITY DATE</u>	<u>% of Portfolio</u>	<u>Current Yield</u>	<u>COST BASIS</u>	<u>MARKET VALUE</u>
	9/30/2016	N/A	US Bank	N/A	N/A	2.10%	4.97%	\$ 77,541.51	\$ 77,541.51
	11/19/2020	3135GA5H0	Federal Home Loan (FHLB)	07/10/20 - qrtly	11/25/2025	24.20%	0.640%	\$ 1,000,000.00	906,020.00
	7/31/2020	3133ELQ56	Federal Home Loan (FHLB)	11/25/20 - qrtly	7/2/2024	25.40%	0.600%	\$ 1,000,000.00	951,740.00
	7/29/2021	3133EMT36	Federal Home Loan (FHLB)	04/15/26- qrtly	4/26/2026	24.00%	0.970%	\$ 1,000,000.00	897,960.00
	7/31/2020	3136G4YP2	Federal Natl MTG ASSN	07/09/2021 - qrtly	7/9/2025	24.40%	0.790%	\$ 1,000,000.00	913,820.00
								\$ 4,077,541.51	\$ 3,747,081.51
								Total	\$ 16,426,351.31
								Total Restricted	\$ -
								Total Unrestricted	\$ 16,426,351.31

YTM = Yield to Maturity
qtrly = quarterly
cont. = continuous

<u>Call Date</u>	<u>CUSIP</u>	<u>Issued by:</u>	<u>Call Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>YTM</u>	<u>Price</u>	<u>Market Value</u>
							\$ -	\$ -

Authorized Signers
Bruce Kamilos
Patrick Lee
Donella Murillo
Stefani Phillips

\$ -

Consultant Expenses

As of 06/30/2023

Fiscal Retainer Contracts

	Description	Total Contract	Current Month	Paid to date	2022-2023 FY Budget	Percent of year (100.00%)
JRG Attorneys, LLP	Task orders	TBD	\$ 3,302	\$ 22,838		
Liebert Cassidy Whitmore	Task orders	TBD	\$ -	\$ 2,890		
Total			\$ 3,302	\$ 25,728	\$ 145,000	17.74%
Solutions by BG, Inc.	Task orders	792,676	\$ 18,965	\$ 258,089	\$ 255,840	100.88%

Major Contracts

Consultant	Description	Total Contract		Paid to date	2022-2023 FY Budget	Percent of Contract
*Earl Consulting	PSA	\$ 78,000	\$ -	\$ 75,447		96.73%
**MFDB Architects	PSA	\$ 205,270	\$ -	\$ 202,039		98.43%
A.P. Thomas (Construction)	PSA	\$ 2,554,565	\$ -	\$ 2,461,128		96.34%

*Change Order to Amend Contract for an additional \$10,000, Issued on 11/14/2021. Change order issued for \$28,000 on 2/25/22. Original Contract amount was \$40,000.

**Change Order to Amend Contract for an additional \$12,770.00. Original Contract amount was \$192,500.

\$ 2,837,835	\$ 2,738,614	96.50%
--------------	--------------	--------

**Major Capital Improvement Project
Budget vs Actuals
As of 06/30/2023**

Capital Project	Total Project Budget	Total Project Exp to Date	Percent Spent	Capitalized Labor	Fund Type	Project Type	Jun			YTD % Spent	% of Project Complete
							2022-23 Budget	Project Exp	Total YTD (1)		
Locust/Summit Alley Water Main	635,000	194,487	30.63%	\$ 76,102	R&R	Supply/Distribution	\$ 635,000	\$ 65,236	\$ 194,487	30.63%	50%
2nd Ave Water Main	188,000	223,530	118.90%	100,513	R&R	Supply/Distribution	188,000	-	212,586	113.08%	100%
Truman St/Adams St Water Main	129,000	99,941	77.47%	54,277	R&R	Supply/Distribution	129,000	-	99,941	77.47%	100%
Elk Grove Blvd/Grove Street Alley Water Main	376,000	345,278	91.83%	109,188	R&R	Supply/Distribution	376,000	7,221	345,278	91.83%	100%
Chlortech System Replacements	150,000	140,021	93.35%	-	R&R	Treatment	150,000	-	140,021	93.35%	30%
Media Replacement - RRWTP Filter Vessel	90,000	94,513	105.01%	7,059	R&R	Treatment	90,000	-	94,513	105.01%	100%
Backup IT Server Replacements	30,000	26,575	88.58%	-	R&R	Building and Site	30,000	-	26,575	88.58%	100%
9829 Waterman Rd	3,238,028	3,039,932	93.88%	-	CIP	Building and Site	1,281,316	-	1,083,219	84.54%	100%
Brinkman Transmission Main	50,000	-	0.00%	-	CIP	Supply/Distribution	50,000	-	-	0.00%	0%
Service Line Replacements (Paving)	85,000	83,932	98.74%	-	CIP	Supply/Distribution	85,000	-	83,932	98.74%	100%
Truck Replacement	65,337	-	0.00%	-	CIP	Building and Site	65,337	-	-	0.00%	0%
Unforeseen Capital Projects	100,000	34,029	34.03%	-	-	-	100,000	-	34,029	34.03%	(2)
Sub-Total	\$ 5,136,365	\$ 4,282,237	83.37%	\$ 347,139			\$ 3,179,653	\$ 72,457	\$ 2,314,580	72.79%	

(1) Includes \$347,139 in capitalized labor through 06/30/2023

(2) Includes unforeseen capital projects, including:

Radio Antenna Well 4D	\$ 435
Radio Antenna Well 4D	170
Aqua Sierra - VFD	3,550
County Permit - Well 8	182
Aqua Sierra - VFD	10,000
Pace Supply - Sara Street	2,114
Eagle Welding	17,578
Total	\$ 34,029

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District
FROM: Stefani Phillips, Board Secretary
SUBJECT: **FLORIN RESOURCE CONSERVATION DISTRICT ASSOCIATE DIRECTOR APPOINTMENT**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors consider the appointment of Robert Stresak as Associate Director to the Florin Resource Conservation District Board of Directors.

SUMMARY

Recently, an application for Associate Director to the Florin Resource Conservation District (FRCD) was submitted by Robert Stresak. The application received was accompanied by required applicant documents (attached), which present a background of depth in areas applicable for serving the FRCD and Elk Grove Water District (EGWD).

DISCUSSION

Background

The Associate Directors Policy was adopted on May 19, 2020. This policy details the appointment and qualifications, term and responsibilities, and the application process.

Robert Stresak served as a member of the Community Advisory Committee for both the 2018-2022 and 2024-2028 Water Rate Studies.

Present Situation

Robert Stresak has submitted required documents, per the Associate Directors Policy, to be considered as an Associate Director to the Board.

Staff recommends that the Board consider the appointment of Robert Stresak as Associate Director to the Board.

July 18, 2023

**FLORIN RESOURCE CONSERVATION DISTRICT ASSOCIATE DIRECTOR
APPOINTMENT**

Page 2

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to Goal No. 1, Governance and Customer Engagement, of the Strategic Plan 2020-2025.

FINANCIAL SUMMARY

There is no financial impact associated with this agenda item.

Respectfully submitted,



STEFANI PHILLIPS
BOARD SECRETARY

Attachment

Attachment

June 16, 2023

Bruce Kamilos, P.E.
General Manager
Florin Resource Conservation District/
Elk Grove Water District
9829 Waterman Rd.
Elk Grove, CA 95624

Dear Mr. Kamilos

I am submitting my resume for your consideration for the position of Associate Director of the Florin Resource Conservation District. I am interested in this position in order to provide support, review and accountability to the communities served and supported by the Elk Grove Water District including, efforts to support water conservation within the State of California.

Please excuse the informality of this submission. It provides a brief overview of my lifetime work experience. Should you have any questions, or wish further proof of employment do not hesitate to ask.

June 1970-July 1997

I served as a police officer with the Los Angeles Police Department (LAPD) successfully completing assignments in patrol, undercover operations, various investigative assignments including the investigation of bombs and explosives involved in criminal activity, audits of homicide investigations, establishing the progenitor of automated crime analysis protocols including automated mapping of criminal data, and leadership in career criminal apprehension programs.

As a detective supervisor, I was loaned to the Office of the Mayor of Los Angeles and served as an Assistant Deputy Mayor to lead and support efforts to improve police officer hiring practices within the LAPD to support the mayor's promise to add approximately 3,000 more officers to the Department.

July 1997-December 1998 (approximate)

I served as the Assistant to the Director of the California Youth Authority (CYA) assigned to renovating the internal affairs investigative protocols within CYA.

December 1998-June 1999 (approximate)

I served in the California Inspector Generals Office in an investigative capacity overseeing internal investigations within Corcoran and San Quentin State Prisons.

January 1999-May 2016

I worked in various capacities with the California Commission on Peace Officer Standards and Training (POST). POST is responsible for establishing selection and training standards for California's approximately 80,000 police officers. Some of my duties included the oversight of training curriculum for 38 statewide police academies, and as the legislative representative of POST to the State Legislature providing advice on introduced legislation affecting law enforcement training. In May 2016 I retired as the Executive Director.

May 2016-present

I currently serve on the Executive Board of Directors for the 1849 Foundation, a 501(3)c organization that supports efforts of the Sacramento Police Department to provide support to officers in crisis, limited support to victims of crime, scholarships for high school students, support to athletic programs that support local charities, and the preservation of the history of the Sacramento Police Department.

Thank you for your consideration.

Very truly yours

Robert Stresak

June 30, 2023

Stefani Phillips
Florin Resource Conservation District
9829 Waterman Rd.
Elk Grove, California 95624

I am writing to recommend Robert "Bob" Stresak for Associate Director, Elk Grove Water District.

I have known Bob for 26 years as a colleague and friend and have nothing but positive things to say. There is no doubt in my mind that Bob will be an excellent addition to the Elk Grove Water District.

I have always known Bob to be of sound character, being compassionate, conscientious, disciplined, honest, humble, and sincere and having a great sense of ambition. Over the course of 26 years, in different settings such as work or social events, Bob has always shown integrity and high moral character in his interactions. I am certain these skills will be a big asset to your organization.

Please do not hesitate to contact me if you have any further questions or requests.

A handwritten signature in black ink, appearing to read "Mark Langensiepen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Langensiepen
837 Hildebrand Circle
Folsom, CA 95630
(916) 599-0150
siepdog@comcast.net

Dear Stephani Phillips,

I am writing this letter to highly recommend Robert "Bob" Stresak for the position with the Elk Grove Water District Board of Directors. I have had the pleasure of working with Bob since 2014 at the California Commission on Peace Officer Standards and Training in West Sacramento, where he served as an exceptional colleague. After our retirements, we continue to socialize.

During our time together, Bob consistently displayed a charismatic personality that allowed him to effectively lead and collaborate with dignity and honor. His ability to navigate complex situations and find common ground while "getting to yes" was truly remarkable. Bob's thoughtfulness and helpful nature made him a valuable team member, always ready to lend a hand and support others.

One of Bob's greatest strengths is his exceptional problem-solving skills. He has a knack for approaching challenges from different angles, finding creative solutions, and implementing them effectively. His dedication to public relations is outstanding, ensuring positive interactions with stakeholders and promoting a favorable image for the organization.

Bob's deep concern for environmental health and his commitment to sustainable practices are evident in his work. He understands the importance of balancing the needs of the community with the preservation of natural resources. Furthermore, his passion for local and state government is evident in his active involvement and desire to make a positive impact on governance and policy.

One of the qualities that truly sets Bob apart is his big-picture thinking. He possesses the ability to see beyond immediate issues and consider the long-term implications of decisions. This strategic mindset enables him to make well-informed choices that benefit not only the organization but also the community at large.

In conclusion, I wholeheartedly recommend Robert "Bob" Stresak for the position with the Elk Grove Water District Board of Directors. His charismatic personality, thoughtful nature, problem-solving abilities, great public relations skills, concern for environmental health, dedication to local and state government, and big-picture thinking make him an exceptional candidate. I am confident that he will bring immense value to the board and contribute significantly to the success of the district.

Please feel free to reach out to me if you have any further questions or require additional information.

Sincerely,



July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District
FROM: Patrick Lee, Finance Manager/Treasurer
SUBJECT: **ELK GROVE WATER DISTRICT FISCAL YEAR 2022-23 QUARTERLY OPERATING BUDGET STATUS REPORT**

RECOMMENDATION

This item is presented for discussion purposes only. No action by the Florin Resource Conservation District Board of Directors is requested at this time.

SUMMARY

Staff is presenting the quarterly budget status report through the fourth quarter of fiscal year 2022-23. This report is to keep the Florin Resource Conservation District (District) Board of Directors (Board) and the public informed on the financial status of the Elk Grove Water District (EGWD).

DISCUSSION

Background

On June 21, 2022, the Board approved the District's Fiscal Year (FY) 2022-23 Operating Budget and the District's FY 2023-27 Capital Improvement Program (CIP) that included an appropriation of \$16.433 million in expenses, including \$1.683 million in unrestricted funds to the FY 2022-23 CIP.

At the August 16, 2022 regular Board meeting, the Board amended the FY 2022-23 District Operating Budget and the District FY 2023-2027 CIP by increasing the appropriation to capital reserves by \$1.431 million, resulting in total expenditures of \$17.865 million, including appropriations of \$3.114 million to the FY 2022-23 CIP.

At the November 15, 2022 regular Board meeting, the Board amended the FY 2022-23 District Operating Budget and the District FY 2023-2027 CIP by increasing the appropriation to capital reserves by \$65,337, resulting in total expenditures of \$17.888 million, including appropriations of \$3.180 million to the FY 2022-23 CIP.

Present Situation

A summary is provided of the EGWD's financial status as of June 30, 2023 (Attachment 1) and a detailed analysis of the changes in each revenue and expenditure category is as follows:

Revenues collected through the fourth quarter of the fiscal year total \$15,914,508, which is 100.26% of the \$15,873,385 annual budget. The revenues are \$192,271 or 1.19% below the

ELK GROVE WATER DISTRICT FISCAL YEAR 2022-23 QUARTERLY OPERATING BUDGET STATUS REPORT

Page 2

same quarter of the prior year due to an overall reduction in consumption for the months of July, August, and September 2022 as a result of conservation efforts and then an increase in rainfall during the months of January, February, and March, resulting in less water consumption.

Total Operational Expenses were \$9,941,146 through the fourth quarter, which is 91.51% of the annual budget of \$10,863,138. The actual operating expenses were \$572,342 or 6.11% above the same quarter of the prior fiscal year as follows:

Personnel expenditures through the fourth quarter total \$4,186,711 which is 95.40% of the \$4,388,458 annual budget. The actual expenses were \$390,632 or 10.21% above the same period of the prior fiscal year. The increase is due mainly to COLA and promotions offset by the increase in capitalized labor for the year.

Seminars, Conventions and Travel expenditures total \$36,723, which is 90.91% of the annual budget of \$40,393. The actual expenses were \$20,030 or 119.99% above the same period of the prior fiscal year due mainly to the resumption of in-person conferences and seminars and travel to these conferences.

Office and Operational expenditures total \$1,225,214, which is 87.37% of the annual budget of \$1,402,320. The actual expenses were \$156,398 or 14.63% above the same period of the prior fiscal year due mainly to an increase in insurance premiums, the buildup of brass material inventory due to supply chain issues, buildup of meter stock, equipment maintenance, and an increase to cost of supplies and materials due to inflation. This was offset by the decrease in software program and updates due to the purchase of software for water modeling in FY 2022 and no major software purchased in FY 2023.

Estimated Purchased Water costs total \$3,127,819, which is 90.52% of the annual budget of \$3,455,261. The actual expenses were \$59,926 or 1.88% below the same period of the prior fiscal year. The decrease is due mainly to an overall decrease in water consumption as part of conservation efforts and increased rainfall this year.

Outside Services expenditures total \$853,936, which is 79.29% of the annual budget of \$1,077,032. The actual expenses were \$68,452 or 8.71% above the same period of the prior fiscal year. The increase is due mainly to an increase in banking fees related to an increase in customers paying their bills via credit card, an increase in contracted services costs related to the District's Water Rate Study, a system refresh of the Asset Management Program, a Compensation Study and an increase in sampling costs due to Title 22 sampling requirements, offset by a decrease in engineering costs as there was no need for engineering services in the year.

ELK GROVE WATER DISTRICT FISCAL YEAR 2022-23 QUARTERLY OPERATING BUDGET STATUS REPORT

Page 3

Equipment Rent, Taxes and Utilities expenditures total \$510,743, which is 102.22% of the annual budget of \$499,674. The actual expenses were \$3,244 or 0.63% below the same period of the prior fiscal year. The decrease is due mainly to an increase in electricity cost as a result of increased rates, offset by a decrease in occupancy costs as compared to FY 2022 since the District is no longer leasing the 9257 Elk Grove Blvd. property.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to the FRCD/EGWD's 2020-2025 Strategic Plan. Development and adoption of annual budgets that are balanced through cost-saving measures or transfers from operating reserves is specifically identified as an objective in the Fiscal Responsibility section of the Strategic Plan.

FINANCIAL SUMMARY

This report is provided to the Board for information only. There is no financial impact associated with this item at this time. Staff has attached a copy of the June 30, 2023 Quarterly Budget Review (Attachment 2) for the fourth quarter. The Quarterly Budget Review includes the line-item detail for the expenditure categories for the quarter-to-date in FY 2022-23, as well as the detail for last year's quarter-to-date.

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachment

Attachment 1

Elk Grove Water District Year to Date Revenues and Expenses Compared to Budget As of June 30, 2023

	General Ledger Reference	YTD Activity	Annual Budget	12/12=100.00% % Realized
Revenues	4100 - 4900	\$ 15,914,508	\$ 15,873,385	100.26%
Operating Expenses				
Salaries & Benefits	5100 - 5280	4,533,850	4,847,546	93.53%
less Capitalized Labor		(347,139)	(459,089)	75.61%
Less CalPERS Prepayment for Remainder of Year: (1)		-		
Adjusted Salaries and Benefits:		\$ 4,186,711	\$ 4,388,457	95.40%
Seminars, Conventions and Travel	5300 - 5350	36,723	40,393	90.91%
Office & Operational	5410 - 5494	1,225,214	1,402,320	87.37%
Purchased Water est. (1)	5495 - 5495	3,127,819	3,455,261	90.52%
Outside Services	5505 - 5580	853,936	1,077,032	79.29%
Equipment Rent, Taxes, Utilities	5620 - 5760	510,743	499,674	102.22%
Total Operational Expenses		\$ 9,941,146	\$ 10,863,137	91.51%
Net Operating Income		\$ 5,973,361	\$ 5,010,248	119.22%
Non-Operating Revenues				
Interest Received	9910 - 9910	111,325	25,000	445.30%
Unrealized Gains/(Losses)	9911 - 9911	38,613	-	100.00%
Other Income/(Expense)	9920 - 9973	121,204	263,105	46.07%
Total Non-Operating Revenues		\$ 271,142	\$ 288,105	94.11%
Non-Operating Expenses				
Election Costs	9950 - 9950	1,887	250,000	0.75%
Capital Expenses (2):				
Capital Improvements	1705 - 1760	1,167,151	1,481,653	78.77%
Capital Replacements	1705 - 1760	1,113,401	1,598,000	69.67%
Unforeseen Capital Projects	1705 - 1760	34,029	100,000	34.03%
Total Capital Expenses:		\$ 2,314,580	\$ 3,179,653	72.79%
Bond Interest Accrued (3)	7300 - 7300	1,323,204	1,323,204	100.00%
Total Non Operating Expenses		\$ 3,639,671	\$ 4,752,857	76.58%
Bond Retirement (3):		\$ 2,560,000	\$ 2,560,000	100.00%
Total Expenditures		15,869,675	17,887,889	88.72%
Revenues in Excess of All Expenditures, including Capital		\$ 44,832	\$ (2,014,504)	-2.23%

Notes:

1. There is a lag in water billings from the Sacramento County Water Agency. Included above is an estimate of costs to date based on water used.
2. YTD Activity includes \$347,139 in capitalized labor charged to capital projects.
3. Bond retirement payments are made two times a year in September and March
4. Accounts receivable balance, which represents the difference between the total amount billed and total amount collected, as of June 30, 2023 is \$111,071.33

**ELK GROVE WATER DISTRICT
QUARTERLY BUDGET REVIEW
THROUGH JUNE 30, 2023
FISCAL YEAR 2022-23**

Account Description	FY 2022-23 Budget	Y-T-D 6/30/2023	100.00% Percentage	Y-T-D 6/30/2022	Change from prior year
4100 Water Payment Revenues - Residential	\$ 13,427,749	13,501,939	100.55%	\$ 13,782,342	(280,403)
4110 Water Payment Revenues - Commercial	1,912,041	1,789,164	93.57%	1,861,422	(72,258)
4120 Water Payment Revenues - Fire Service	205,595	215,547	104.84%	204,588	10,959
4200 Meter Fees/Plan Check/Water Capacity	126,000	182,357	144.73%	155,788	26,569
4201 Backflow Installation	10,000	18,005	180.05%	19,476	(1,471)
4202 Backflow Testing Fee	-	17,615	100.00%	2,470	15,145
4204 Failed Backflow Notification Fee	-	100	100.00%	-	100
4300 Fire Protection	-	468	100.00%	1,404	(936)
4520 Door Hanger Fees	115,000	111,350	96.83%	45,800	65,550
4530 Meter Testing Fee	-	-	0.00%	47	(47)
4540 New account Fees	25,000	15,750	63.00%	26,340	(10,590)
4550 NSF Fees	3,000	2,625	87.50%	1,645	980
4560 Fees & Penalties	-	14,715	100.00%	4,494	10,221
4570 Shut-off Fees	50,000	66,800	133.60%	28,000	38,800
4575 24 Hour Turn On	-	200	100.00%	-	200
4580 Restoration Fees	-	-	0.00%	225	(225)
4585 Administration Citations	-	880	100.00%	1,115	(235)
4590 Credit Card Fees	-	-	0.00%	(1,580)	1,580
4591 Sac County Release of Lien Fee	-	(1,060)	-100.00%	16,668	(17,728)
4700 Rental Income	-	-	0.00%	1,154	(1,154)
4800 Other Income	-	793	100.00%	-	793

**ELK GROVE WATER DISTRICT
QUARTERLY BUDGET REVIEW
THROUGH JUNE 30, 2023
FISCAL YEAR 2022-23**

4900 Customer Refunds	(1,000)	(22,741)	2274.06%	(44,619)	21,879
TOTAL GROSS REVENUES	\$ 15,873,385	\$ 15,914,508	100.26%	\$ 16,106,779	\$ (192,271)

Account Description	FY 2022-23 Budget	Y-T-D 6/30/2023	100.00% Percentage	Y-T-D 6/30/2022	Change from prior year
Salaries & Benefits					
5100 Executive Salary	207,527	207,925	100.19%	187,352	20,573
5110 Exempt Salaries	634,842	611,465	96.32%	512,555	98,910
5120 Non-Exempt Salaries	1,957,845	1,856,812	94.84%	1,629,657	227,155
5130 Overtime Compensation	45,000	35,715	79.37%	33,852	1,864
5140 On Call Pay	31,025	30,685	98.90%	30,600	85
5150 Holiday Pay	137,977	135,391	98.13%	125,015	10,376
5160 Vacation Pay	161,804	184,628	114.11%	175,230	9,399
5170 Personal Time Pay	118,715	122,731	103.38%	117,858	4,873
5195 EAP	874	875	100.09%	816	58
5200 Medical Benefits	781,483	667,929	85.47%	653,095	14,834
5201 EGWD Contribution H.S.A	23,700	23,500	99.16%	21,100	2,400
5210 Dental/Vision/Life Insurance	60,730	61,178	100.74%	58,825	2,353
5220 Retirement Benefits	287,851	267,578	92.96%	253,341	14,236
5225 Retirement Benefits - Post Employment	186,234	215,548	115.74%	200,957	14,591
5230 Medical Tax, Social Security and SUI	67,060	53,050	79.11%	50,762	2,288
5240 Worker's Compensation Insurance	96,600	41,820	43.29%	61,694	(19,874)
5250 Education Assistance	2,500	-	0.00%	-	-
5260 Employee Training	41,700	10,659	25.56%	15,276	(4,617)
5270 Employee Recognition	2,880	6,363	220.92%	1,155	5,208
5280 Meetings	1,200	-	0.00%	-	-
Less Capitalized Expenditures	(459,089)	(347,139)	75.61%	(333,060)	(14,079)
Less Remaining CalPERS prepayment	-	-	N/A	-	-
Category Subtotal	4,388,458	4,186,711	95.40%	3,796,079	390,632

Account Description	FY 2022-23 Budget	Y-T-D 6/30/2023	100.00% Percentage	Y-T-D 6/30/2022	Change from prior year
Seminars, Conventions and Travel					
5300 Airfare	4,550	2,351	51.66%	218	2,133
5310 Hotels	12,100	13,103	108.29%	1,908	11,195
5320 Meals	5,638	4,545	80.62%	857	3,688
5330 Auto Rental	1,500	29	1.92%	156	(127)
5340 Seminars & Conferences	9,125	9,502	104.13%	7,614	1,888
5350 Mileage Reimbursement, Parking, Tolls	1,480	1,336	90.26%	155	1,181

**ELK GROVE WATER DISTRICT
 QUARTERLY BUDGET REVIEW
 THROUGH JUNE 30, 2023
 FISCAL YEAR 2022-23**

5375 Auto Allowance	6,000	5,857	97.62%	5,785	72
Category Subtotal	40,393	36,723	90.91%	16,693	20,030

Account Description	FY 2022-23 Budget	Y-T-D 6/30/2023	100.00% Percentage	Y-T-D 6/30/2022	Change from prior year
Office & Operational					
5410 Advertising	17,200	9,375	54.51%	14,252	(4,876)
5415 Association Dues	134,359	126,552	94.19%	123,943	2,609
5420 Insurance	125,700	132,643	105.52%	95,520	37,123
5425 Licenses, Certifications, Fees	3,800	4,052	106.63%	4,638	(586)
5430 Repairs & Maintenance - Automotive	35,500	26,819	75.55%	25,243	1,575
5432 Repairs & Maintenance - Building	84,820	64,987	76.62%	57,562	7,425
5434 Repairs & Maintenance - Computers	20,650	26,529	128.47%	12,408	14,120
5435 Repairs & Maintenance - Equipment	147,100	129,135	87.79%	116,439	12,696
5438 Fuel	67,220	47,272	70.32%	48,189	(918)
5440 Materials	95,000	158,065	166.38%	99,135	58,930
5445 Chemicals	55,000	48,279	87.78%	44,695	3,585
5450 Meter Repairs	136,000	76,199	56.03%	57,751	18,448
5453 Permits	90,000	76,512	85.01%	84,860	(8,348)
5455 Postage	77,275	70,456	91.18%	64,119	6,337
5460 Printing	23,300	16,946	72.73%	6,308	10,638
5465 Safety Equipment	25,000	11,594	46.38%	8,496	3,098
5470 Software Programs & Updates	146,256	107,825	73.72%	133,939	(26,115)
5475 Supplies	36,420	28,157	77.31%	20,373	7,784
5480 Telephone	28,020	26,025	92.88%	19,207	6,818
5485 Tools	15,000	15,998	106.65%	14,564	1,434
5490 Clothing Allowance	7,700	4,974	64.60%	5,733	(759)
5491 EGWD-Other Clothing	13,000	10,401	80.01%	9,947	454
5493 Water Conservation Materials	18,000	6,420	35.67%	1,494	4,926
Category Subtotal	1,402,320	1,225,214	87.37%	1,068,816	156,398

**ELK GROVE WATER DISTRICT
 QUARTERLY BUDGET REVIEW
 THROUGH JUNE 30, 2023
 FISCAL YEAR 2022-23**

Account	Description					
5495	Purchased Water	3,455,261	3,127,819	90.52%	3,187,745	(59,926)
Account	Description	FY 2022-23 Budget	Y-T-D 6/30/2023	97.62% Percentage	Y-T-D 6/30/2022	Change from prior year
	Outside Services					
5505	Administration Services	4,100	2,167	52.84%	4,049	(1,883)
5510	Bank Charges	185,600	194,066	104.56%	176,321	17,744
5515	Billing Services	25,500	23,544	92.33%	19,722	3,822
5520	Contracted Services	504,410	481,215	95.40%	407,561	73,654
5523	Water Conservation Services	-	-	0.00%	-	-
5525	Accounting Services	30,000	27,720	92.40%	27,444	276
5530	Engineering	50,000	494	0.99%	43,875	(43,381)
5535	Legal Services	145,000	22,015	15.18%	30,047	(8,032)
5540	Financial Consultants	-	188	0.00%	-	188
5545	Community Relations	10,700	1,258	11.76%	1,095	163
5550	Pre-employment	1,000	-	0.00%	613	(613)
5552	Misc. Medical	2,000	1,880	94.00%	2,919	(1,039)
5555	Janitorial	21,200	17,397	82.06%	22,356	(4,959)
5560	Bond Administration	7,050	5,773	81.89%	3,500	2,273
5570	Security	31,972	25,542	79.89%	23,566	1,976
5575	Sampling	58,500	50,679	86.63%	22,416	28,262
	Category Subtotal	1,077,032	853,936	79.29%	785,483	68,452
Account	Description	FY 2022-23 Budget	Y-T-D 6/30/2023	100.00% Percentage	Y-T-D 6/30/2022	Change from prior year
	Equipment Rent, Taxes and Utilities					
5610	Occupancy	6,000	18,000	300.00%	72,000	(54,000)
5620	Equipment Rental	30,074	33,560	111.59%	31,652	1,908
5710	Property Taxes	4,000	3,277	81.92%	2,918	359
5740	Electricity	410,200	405,826	98.93%	359,393	46,433
5750	Natural Gas	2,000	5,323	266.17%	1,325	3,999
5760	Sewer and Garbage	47,400	44,757	94.42%	46,699	(1,943)
	Category Subtotal	499,674	510,743	102.22%	513,988	(3,244)
	Total Operational Expenses	10,863,138	9,941,146	91.51%	9,368,804	572,342

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Patrick Lee, Finance Manager/Treasurer

SUBJECT: **ELK GROVE WATER DISTRICT FISCAL YEAR 2022-23 QUARTERLY CAPITAL RESERVE STATUS REPORT**

RECOMMENDATION

This item is presented for discussion purposes only. No action by the Florin Resource Conservation District Board of Directors is requested at this time.

SUMMARY

On June 16, 2020, the Florin Resource Conservation District (District) Board of Directors (Board) adopted the District's Reserve and Capital Investments Policy (Policy), establishing the funding levels for each of the District's respective reserve funds. Per the Policy, the District's unrestricted net position as of July 1 of each fiscal year is allocated first to the Operating Reserve (120 days of budgeted operating and maintenance expenses), then to the upcoming year's capital budget, followed by elections/special studies, with the balance allocated to future capital improvements and future capital replacements in the ratio of 75:25, respectively. The total unrestricted net position available to be allocated to reserves on July 1, 2022 was \$19,417,956.

Through the fourth quarter of Fiscal Year 2022-23, the District expended \$2,314,581 for capital projects and \$1,887 on elections costs, leaving a remaining total reserve balance on June 30, 2023 of \$17,101,488.

DISCUSSION

Background

On June 21, 2022, the Board approved the District's Fiscal Year (FY) 2022-23 Operating Budget and the District's FY 2023-27 Capital Improvement Program (CIP) that included an appropriation of \$16.433 million in expenses, including \$1.683 million in unrestricted funds to the FY 2022-23 CIP.

At the August 16, 2022 regular board meeting, the Board amended the FY 2022-23 District Operating Budget and the District FY 2023-2027 CIP by increasing the

ELK GROVE WATER DISTRICT FISCAL YEAR 2022-23 QUARTERLY CAPITAL RESERVE STATUS REPORT

Page 2

appropriation to capital reserves by \$1.431 million, resulting in total expenditures of \$17.865 million, including appropriations of \$3.114 million to the FY 2022-23 CIP.

At the November 15, 2022 regular board meeting, the Board amended the FY 2022-23 District Operating Budget and the District FY 2023-2027 CIP by increasing the appropriation to capital reserves by \$65,337, resulting in total expenditures of \$17.888 million, including appropriations of \$3.180 million to the FY 2022-23 CIP.

Present Situation

As amended during the regular board meeting on August 16, 2022 and on November 15, 2022, the District had appropriated Reserve Funds for FY 2022-23 as follows:

• Operations Reserves (120 days of O&M budget)	\$ 4,835,584
• FY 2022-23 Capital Improvement Fund	\$ 1,531,653
• FY 2022-23 Capital Replacement Fund	\$ 1,648,000
• Elections and Special Studies	\$ 250,000
• Future Capital Improvements	\$ 8,364,539
• Future Capital Replacements	<u>\$ 2,788,180</u>
	\$ 19,417,956

The District has expended \$2,314,581 for capital expenditures through June 30, 2023 as follows:

• Capital Improvement Fund	
○ Admin Building 9829 Waterman Rd	\$ 1,083,219
○ Service Line Replacement Paving	\$ 83,932
○ Unforeseen Capital Projects	<u>\$ 17,014</u>
TOTAL	\$ 1,184,165
• Capital Replacement Fund	
○ Locust/Summit Alley Water Main	\$ 194,487
○ 2 nd Ave Water Main	\$ 212,586
○ Truman Street/Adams Street	\$ 99,941
○ Elk Grove Blvd/Grove Street Alley	\$ 345,278
○ Chlortech System Replacement	\$ 140,021
○ Media Replacement-Filter Vessel	\$ 94,513
○ Backup IT Server Replacement	\$ 26,575
○ Unforeseen Capital Projects	<u>\$ 17,015</u>
TOTAL	\$ 1,130,416

July 18, 2023

ELK GROVE WATER DISTRICT FISCAL YEAR 2022-23 QUARTERLY CAPITAL RESERVE STATUS REPORT

Page 3

The District's remaining reserve fund balances as of June 30, 2023 including elections and special studies spending of \$1,887 are as follows:

• Operations Reserves (120 days)	\$ 4,835,584
• FY 2022-23 Capital Improvement Fund	\$ 347,488
• FY 2022-23 Capital Replacement Fund	\$ 517,585
• Elections and Special Studies	\$ 248,113
• Future Capital Improvements	\$ 8,364,539
• Future Capital Replacements	\$ 2,788,180
	<u>\$ 17,101,488</u>

ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to the FRCD/EGWD's 2020-2025 Strategic Plan. Developing and adopting annual budgets that are balanced through cost-saving measures or transfers from operating reserves is specifically identified as an objective in the Fiscal Responsibility section of the Strategic Plan.

FINANCIAL SUMMARY

There is no financial impact with this report. Staff has provided a copy of the June 30, 2023, Quarterly Capital Reserves Review (attached) for the fourth quarter.

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachment

ELK GROVE WATER RESERVES
Fiscal Year 2022-23
As of June 30, 2023

Total Available \$ 19,417,956 at 7/1/2022

Operating Reserves	Capital Improvements	Capital Replacements	Elections/ Special Studies	Future Capital Improvements	Future Capital Replacements
Needed	Funded	Funded	Funded	Funded	Funded
\$ 4,835,584	\$ 1,531,653	\$ 1,648,000	\$ 250,000	\$ 8,364,539	\$ 2,788,180
Available	Expended	Expended	Expended	Expended	Expended
-	\$ 1,184,166	\$ 1,130,416	\$ 1,887	\$ -	\$ -
Remaining	Remaining	Remaining	Remaining	Remaining	Remaining
\$ 4,835,584	\$ 347,488	\$ 517,585	\$ 248,113	\$ 8,364,539	\$ 2,788,180

Capital Improvement Funds

Supply/Dist. Improvements	Treatment Plant Improvements	Bldng/Site/Veh. Improvements	Unforeseen Capital Projects
Funded	Funded	Funded	Funded
\$ 135,000	\$ -	\$ 1,346,653	\$ 50,000
Expended	Expended	Expended	Expended
\$ 83,932	\$ -	\$ 1,083,219	\$ 17,015
Remaining	Remaining	Remaining	Remaining
\$ 51,068	\$ -	\$ 263,434	\$ 32,986

Capital Replacement Funds

Supply/Dist. Improvements	Treatment Plant Improvements	Bldng/Site/Veh. Improvements	Unforeseen Capital Projects
Funded	Funded	Funded	Funded
\$ 1,328,000	\$ 240,000	\$ 30,000	\$ 50,000
Expended	Expended	Expended	Expended
\$ 852,292	\$ 234,534	\$ 26,575	\$ 17,015
Remaining	Remaining	Remaining	Remaining
\$ 475,708	\$ 5,466	\$ 3,425	\$ 32,986

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Bruce Kamilos, General Manager

SUBJECT: **ROSENBERG'S RULES OF ORDER - AMENDMENT TO THE BYLAWS OF THE FLORIN RESOURCE CONSERVATION DISTRICT**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt Resolution No. 07.18.23.01, amending the Bylaws of the Florin Resource Conservation District section 8.2 (a) to refer to Rosenberg's Rules of Order in place of Robert's Rules of Order.

SUMMARY

The Florin Resource Conservation District (District) stipulates using Robert's Rules of Order (Robert's Rules) as a guide on all points not specified in the Amended and Restated Bylaws of the Florin Resource Conservation District (Bylaws). Robert's Rules was written in 1876 for the purpose of chairing or running a parliament. In contrast, Rosenberg's Rules of Order (Rosenberg's Rules) was written in the 21st century as a simple, concise, and easy-to-understand guide for running board meetings of local government agencies.

Staff recommends revising section 8.2(a) of the Bylaws to refer to Rosenberg's Rules in place of Robert's Rules as shown in the strikeout version of the Bylaws (Attachment 1).

DISCUSSION

Background

Several weeks ago, I attended a Regional Water Authority board meeting where the parliamentary procedures of the meeting became quite involved. During a break, I had a side conversation with Andrew Ramos, the District's new legal counsel, about rules of order and good governance of board meetings. I told Andrew that the District uses Robert's Rules as a guide to conduct its board meetings. Andrew suggested that I read Rosenberg's Rules (Attachment 2) that was written by Dave Rosenberg, a Superior Court Judge in Yolo County, who has also held numerous other positions as a judge.

After reading Rosenberg's Rules, staff is of the opinion that Rosenberg's Rules would be a better reference than Robert's Rules for conducting the District's board meetings.

July 18, 2023

**ROSENBERG'S RULES OF ORDER - AMENDMENT TO THE BYLAWS OF THE
FLORIN RESOURCE CONSERVATION DISTRICT**

Page 2

Rosenberg's Rules are simple, concise, and easy to understand. It reads like a 21st century reference book. In contrast, Robert's Rules was written in 1876 for the purpose of chairing or running a parliament. Although it has been updated with twelve editions, it is not particularly relevant to chairing a five-member board of a local public agency. Rosenberg's Rules, on the other hand, was written for local government agencies.

Present Situation

With new legal counsel joining our team to start off the new fiscal year, this is a good time for the Board and legal counsel to review and discuss good governance and the rules of order it uses for board meetings.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to Strategic Goal 1, Governance and Customer Engagement, of the Strategic Plan which identifies conducting public affairs in an effective, efficient, and transparent manner.

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully submitted,



BRUCE KAMILOS
GENERAL MANAGER

Attachments

RESOLUTION NO. 07.18.23.01

A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS AMENDING OF THE BYLAWS OF THE FLORIN RESOURCE CONSERVATION DISTRICT SECTION 8.2 (A) TO REFER TO ROSENBERG’S RULES OF ORDER IN PLACE OF ROBERT’S RULES OF ORDER

WHEREAS, the Florin Resource Conservation District (District) is a Resource Conservation District organized pursuant to Division 9 of the California Public Resources Code, Sections 9001, et seq. (Resource Conservation Law);

WHEREAS, the District is formed for the purposes delineated in the Public Resources Code Section 9001 and all things necessary to carry out the provisions of the Resource Conservation Law and adopted District Bylaws;

WHEREAS, the District’s current Bylaws were amended and restated on January 21, 2020;

WHEREAS, the District wishes to amend the District’s current title Amended and Restated Bylaws of the Florin Resource Conservation District title to Bylaws of the Florin Resource Conservation District;

WHEREAS, the District wishes to amend the District’s current Bylaws section 8.2(a) to refer to Rosenberg’s Rules of Order in place of Robert’s Rules of Order;

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS, DOES HEREBY RESOLVE:

SECTION 1. The District Board of Directors (Board) hereby adopts the foregoing recitals as true and correct and incorporates them herein by reference.

SECTION 2. The Bylaws shall be amended so that the title reads “Bylaws of the Florin Resource Conservation District” and section 8.2(a) refers to Rosenberg’s Rules of Order in place of Robert’s Rules of Order.

SECTION 3. The Board Secretary shall certify to the adoption of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 18th day of July 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Tom Nelson
Chair

ATTEST:

Stefani Phillips
Board Secretary

APPROVED AS TO FORM:

Andrew Ramos
General Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“BYLAWS OF THE FLORIN RESOURCE CONSERVATION DISTRICT”

[Attached behind this cover page]

BYLAWS OF THE FLORIN RESOURCE CONSERVATION DISTRICT

ARTICLE I

ORGANIZATION

- 1.1 Name The name of this organization is the Florin Resource Conservation District (“District”). The District is a Resource Conservation District organized pursuant to Division 9 of the California Public Resources Code, Sections 9001, et seq., otherwise known and referred to herein as the “Resource Conservation Law.”
- 1.2 General Purposes The District is formed for the purposes delineated in the Public Resources Code Section 9001 and all things necessary to carry out the provisions of the Resource Conservation Law and these District Bylaws. The District also owns a public water system known as the “Elk Grove Water District,” which operates as a department of the District.
- 1.3 Location The boundaries of the District are depicted and attached hereto, and made a part hereof, as Exhibit A. The geographic service area of the Elk Grove Water District is depicted and attached hereto, and made a part hereof, as Exhibit B.
- 1.4 Specific Purposes In addition to the purposes stated in Section 1.2 above, all activities undertaken by the District shall be limited to water related activities that provide a benefit to Elk Grove Water District ratepayers.
- 1.5 Principal Office The principal office for the transaction of the activities and affairs of the District shall be established by the Board of Directors (“Board”). The Board shall have the authority to change the location of the principal office.
- 1.6 Other Offices The Board may at any time establish branch or subordinate offices at any place(s) where the District is qualified to conduct its activities.

ARTICLE II

GOVERNING BOARD

- 2.1 General Powers and Responsibilities Subject to the provisions and limitations of applicable law and these Bylaws, the activities and affairs of the District shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board.
- 2.2 Specific Powers and Responsibilities In the discharge of their duties, Board members shall act as a Board and not as individuals. The individual Board member has no more authority over District policy or personnel than any other citizen. A Board member has no legal or moral right to speak for the Board, unless specifically

authorized to do so by action of the Board. Without prejudice to the general powers set forth in Section 2.1 of these Bylaws and Public Resources Code Sections 9301, et seq., but subject to the same limitations, the Board shall have the power to do the following:

- (a) Perform any and all duties imposed upon them collectively or individually by applicable law or by these Bylaws;
- (b) Appoint and remove, subject to any employment agreement or applicable District policy, any Board appointed officers, agents, or employees of the District; prescribe powers and duties for them that are consistent with applicable law, and with these Bylaws;
- (c) Change the principal office within the District boundaries from one (1) location to another; cause the District to conduct its activities within or outside the State of California; and designate any place for holding any meeting of Directors in accordance with applicable law;
- (d) Approve an annual operating budget and capital expenditure budget, authorize the borrowing of money and the incurrence of indebtedness on behalf of the District, and cause to be executed and delivered for the District's purposes any other evidences of debt and securities;
- (e) Pursuant to authority hereinafter granted, appoint committees and delegate to such committees powers and authority of the Board in the management of the activities and affairs of the District, except the power to adopt, amend or repeal Bylaws, and except as otherwise set forth herein;
- (f) Engage legal counsel to advise the Board on matters pertaining to the business of the District; and
- (g) Adopt a comprehensive set of Board policies to govern the operation of the District. These policies shall be amended and revised as appropriate and shall be compiled and published in a Board Policies Manual. The District shall keep a master copy of such manual, which shall be the official record of the Board policies of the District.

2.3 Number of Directors The Board shall consist of five (5) members elected at large, or as revised pursuant to Public Resources Code Section 9301, who meet the eligibility requirements delineated in Public Resources Code Section 9352.

2.4 Term of Office Members of the Board shall serve a term of four (4) years.

2.5 Election and Vacancies

- (a) The election of the members of the Board shall be held on the first Tuesday after the first Monday in November in each even-numbered year, at which time a successor shall be chosen for each Director whose term shall expire on the last Friday of November following such election, or upon County certification of the election results, whichever is later. The election shall be consolidated with the Statewide General Election pursuant to Elections Code Sections 10400, et seq.
- (b) Vacancies on the Board shall be filled in accordance with applicable law, including Public Resources Code Sections 9316 and 9317, Elections Code Sections 1000, et seq. and Government Code Sections 1780, et seq.
- (c) Notwithstanding any other provision of law, the term of any member of the Board may be deemed expired if he or she is absent from three (3) consecutive Board meetings and the Board, by resolution, declares the term of that member expired and that a vacancy exists on the Board. The remaining members of the Board may excuse such absences in their discretion.
- (d) As an alternative to the election of Directors, the Board may request that the Board of Supervisors for the County of Sacramento appoint Directors in accordance with Public Resources Code Section 9314(b).

2.6 Compensation In accordance with Public Resources Code Section 9303, members of the Board shall serve without compensation, with the exception each director shall be reimbursed for necessary travel and incidental expenses incurred in the performance of official District business.

2.7 Associate Directors The Board may appoint up to five (5) Associate Directors who have special expertise in an area of interest to the District. Associate Directors must meet the residency, property ownership or agency eligibility requirements of Public Resources Code Section 9352. Associate Directors may participate in discussions at the Board meetings, however, they may not vote on any item before the Board or participate in closed session discussions.

ARTICLE III

OFFICERS

3.1 Officers The officers of the District shall be members of the Board and duly elected. The officers shall include a Chair and Vice-Chair. The Chair, Vice-Chair and additional officers, as may be designated by the Board, shall be elected by the Board at the first regular meeting in January of each year, or in the case of a year in which there has been an election of one (1) or more members of the Board, at

the first regular meeting following certification of the results of said election. Each officer so elected shall serve a term of one (1) year, provided, however, that an officer may resign at any time or be removed by majority vote of the other members of the Board then in office at any regular or special meeting of the Board, so long as such item is placed on the agenda in a manner consistent with Government Code Sections 54950, et seq., otherwise known and referred to herein as the Ralph M. Brown Act ("Brown Act"). In the event of a resignation or removal of an officer, the Board shall elect a successor to serve for the remainder of that officer's unexpired term.

3.2 Chair The Board shall elect one (1) of its members to act as Chair and, if at any time the Chair shall be unable to act, the Vice-Chair shall assume the role and perform all duties of the Chair. The duties of the Chair, or acting officer, include:

- (a) Presiding over all meetings of the Board;
- (b) Signing contracts, conveyances and other instruments in writing as the Board shall authorize or direct the Chair to sign;
- (c) Being responsible for coordination and liaison with District legal counsel, auditors and other consultants who report directly to the Board, unless delegated to the General Manager;
- (d) Designating members of the Board to undertake special responsibilities and to report to the Board on those activities;
- (e) Representing the Board at official functions when necessary, serve as the spokesperson for the Board regarding Board actions, and keep the Board informed of such occasions; and
- (f) Performing other duties as they pertain to the office, as prescribed by the Board.

3.3 Vice-Chair In the absence or inability of the Chair to serve, the Vice-Chair shall perform the duties of the Chair, and shall perform other duties pertaining to the office as are prescribed by the Board.

3.4 Additional Officers The Board may create additional offices as the business of the District may require. The elected officer shall hold office for a specified period of time, have authority, and perform such duties as are provided in these Bylaws, or as the Board determines from time to time. Additional offices may be filled either by members or non-members of the Board.

ARTICLE IV

COMMITTEES

- 4.1 Committees of the Board The Board shall have the power to create and appoint members to Advisory and Standing Committees. Any committee, to the extent provided in the Board motion, shall only have the authority delegated by the Board and may not bind the District regarding matters that should be before the Board.
- 4.2 Meetings and Actions of Committees Meetings and actions of committees shall be governed by, held, and taken in accordance with, the provisions of these Bylaws. The time for committee meetings may be determined either by Board motion or the Chair. The Board may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.
- 4.3 Advisory Committees Advisory Committees may be created for special tasks as circumstances warrant. The Advisory Committee shall limit its activities to the accomplishments of the task for which it is appointed and shall not have power to act, except as is specifically conferred by action of the Board. Upon completion of the task for which appointed, the Advisory Committee shall be terminated.
- 4.4 Standing Committees The Standing Committees of the Board shall consist of: (a) Conservation;(b) Infrastructure; and such additional bodies as created by the Board in accordance with the Brown Act.

ARTICLE V

GENERAL MANAGER

- 5.1 General Provisions The Board shall select and contract with a General Manager, who shall be the chief administrator of the District. The General Manager shall have the operational authority for the day-to-day administration and management of the District in all its services, activities and departments, subject only to such policies adopted and/or issued by the Board. The General Manager shall act as the duly authorized representative of the Board in all matters the Board has not otherwise formally designated to another or to itself.
- 5.2 Authorities and Duties The General Manager shall have complete administrative authority over the District and shall be responsible for the efficient operation of the system in all departments/divisions, as designated in their job description. The General Manager shall be responsible for:
 - (a) Implementing Board policies;

- (b) Providing leadership to staff in identifying District needs, establishing priorities and determining the objectives, which will achieve the established goals of the District;
- (c) Encouraging and assisting staff in the performance of their duties and encouraging professional growth;
- (d) Interpreting and publicizing the programs and services of the District for and to the public;
- (e) Leading the District management team in the preparation of the budget, control of expenditures, inventory control, program planning, changing priorities, community relations, and participating in community activities;
- (f) Hiring, evaluating, and dismissing District staff or delegating this responsibility to their designee;
- (g) Negotiating all contracts on the District's behalf; and
- (h) Other duties as prescribed by the Board.

ARTICLE VI

SECRETARY TO THE BOARD

The Secretary to the Board shall be appointed by the Board. The Secretary to the Board, or his or her designee, shall be present at all regular, special and adjourned meetings of the Board and be responsible for:

- (a) Keeping records of all actions, proceedings, and minutes of meetings of the Board and maintaining such records in the office of the District;
- (b) Seeing that all ordinances and resolutions of the Board are properly recorded and are maintained in the office of the District;
- (c) Posting all notices required either by applicable law or these Bylaws;
- (d) Signing, along with the Chair, all official documents of the Board; and
- (e) Administering oaths and affirmations.

**ARTICLE VII
TREASURER**

The Treasurer shall be appointed by the Board. The Treasurer, or his or her designee, shall be present at all regular, special and adjourned meetings of the Board and be responsible for:

- (a) Keeping complete and accurate records of District revenues and expenditures;
- (b) Safekeeping and dispersal of funds in the treasury of the District, in accordance with applicable law and in accordance with resolutions, procedures and directions as the Board may adopt;
- (c) Issuing receipts for money received by the District;
- (d) Paying District bills;
- (e) Completing monthly and annual financial reports; and
- (f) Completing financial audits as required by applicable law.

**ARTICLE VIII
MEETINGS AND ORDER OF BUSINESS**

8.1 Meetings

- (a) Compliance with Law All meeting sessions of the Board, whether regular or special, shall be conducted in accordance with the Resource Conservation Law and the Brown Act.
- (b) Regular Meetings The regular meetings of the Board shall be held on such day, time, and location as the Board may from time to time establish, so long as the meetings are within the District's boundaries. The agenda for any regular meeting of the Board shall be posted on the District website and in a clearly visible and accessible site where the District meeting is held, no less than seventy-two (72) hours prior to the regular meeting.
- (c) Special Meetings Notwithstanding Public Resources Code Sections 9310 and 9311, special meetings of the Board may be held in conformance with the Brown Act. Special meetings may be called by the Chair or a majority of the members of the Board. The agenda for any special meeting shall be posted on the District website and in a clearly visible and accessible site

where the meeting is held, at least twenty-four (24) hours in advance of the special meeting.

- (d) Agenda The agenda shall contain a description of each item to be discussed. Items not appearing on the agenda shall not be discussed, except in compliance with the applicable provisions of the Brown Act.
- (e) Order of Business The order of business at the meetings of the Board shall follow the agenda for the meeting, provided, however, that the order of business may be varied in the Chair's discretion. The agenda for Board meetings shall be developed by the Chair in conjunction with the General Manager. Any Director may request that a matter be added to a future Board meeting agenda. If a Director proposes during a Board meeting that an item be added to the agenda for a future Board meeting, then the item shall be added to the Board agenda unless a majority of the Board votes that the item not be added to the agenda. If such a proposal is made between Board meetings, the Director shall communicate the substance of the proposed item to the Chair and the General Manager with sufficient detail so the item may be properly added to the agenda in accordance with the Brown Act. The finalization of the agenda is left to the discretion and is the responsibility of the Chair.

8.2 Conduct of Business

- (a) Rules All meetings of the Board shall be conducted in accordance with the Brown Act, the Resource Conservation Law, other laws governing the conduct of meetings by public agencies, and rules established from time to time by resolution of the Board. Rosenberg's Rules of Order shall be the guide on rules of meeting procedures not specified in these Bylaws.
- (b) Quorum A majority of members of the Board shall constitute a quorum for the transaction of business.
- (c) Minutes The Secretary of the Board, or his or her designee, shall keep a record of minutes of all meetings and retain the minutes in accordance with the District's Records Retention Policy.
- (d) Action The Board shall act only by vote, motion, resolution, and ordinance, all of which shall be entered into the minutes. In accordance with Public Resources Code Section 9312, all questions requiring a vote shall require a concurrence of at least the number constituting a quorum.

**ARTICLE IX
SEVERABILITY**

If any article, subsection, paragraph, sentence, clause or phrase of these Bylaws is for any reason held to be in conflict with the provisions of the Resource Conservation Law or any other law, statute, rule or regulation, such conflict shall not affect the validity of the remaining portion of these Bylaws.

**ARTICLE X
INDEMNIFICATION**

To the fullest extent permissible under California law, the District shall indemnify and provide a defense to its current and former members of the Board, officers and employees with respect to any civil action or proceeding brought against him or her on account of an act or omission in the scope of employment or other duties with the District, provided that the District need not provide a defense when it determines that the member, officer, or employee acted or failed to act because of actual fraud or corruption.

**ARTICLE XI
AMENDMENTS**

The District Bylaws may be amended by affirmative vote of two-thirds of its members at any regular or special meeting of the Board.

Adopted: February 24, 2010

Amended: January 21, 2020

~~AMENDED AND RESTATED~~ **BYLAWS OF THE FLORIN RESOURCE
CONSERVATION DISTRICT**

ARTICLE I

ORGANIZATION

- 1.1 Name The name of this organization is the Florin Resource Conservation District (“District”). The District is a Resource Conservation District organized pursuant to Division 9 of the California Public Resources Code, Sections 9001, et seq., otherwise known and referred to herein as the “Resource Conservation Law.”
- 1.2 General Purposes The District is formed for the purposes delineated in the Public Resources Code Section 9001 and all things necessary to carry out the provisions of the Resource Conservation Law and these District Bylaws. The District also owns a public water system known as the “Elk Grove Water District,” which operates as a department of the District.
- 1.3 Location The boundaries of the District are depicted and attached hereto, and made a part hereof, as Exhibit A. The geographic service area of the Elk Grove Water District is depicted and attached hereto, and made a part hereof, as Exhibit B.
- 1.4 Specific Purposes In addition to the purposes stated in Section 1.2 above, all activities undertaken by the District shall be limited to water related activities that provide a benefit to Elk Grove Water District ratepayers.
- 1.5 Principal Office The principal office for the transaction of the activities and affairs of the District shall be established by the Board of Directors (“Board”). The Board shall have the authority to change the location of the principal office.
- 1.6 Other Offices The Board may at any time establish branch or subordinate offices at any place(s) where the District is qualified to conduct its activities.

ARTICLE II

GOVERNING BOARD

- 2.1 General Powers and Responsibilities Subject to the provisions and limitations of applicable law and these Bylaws, the activities and affairs of the District shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board.
- 2.2 Specific Powers and Responsibilities In the discharge of their duties, Board members shall act as a Board and not as individuals. The individual Board member has no more authority over District policy or personnel than any other citizen. A

Board member has no legal or moral right to speak for the Board, unless specifically authorized to do so by action of the Board. Without prejudice to the general powers set forth in Section 2.1 of these Bylaws and Public Resources Code Sections 9301, et seq., but subject to the same limitations, the Board shall have the power to do the following:

- (a) Perform any and all duties imposed upon them collectively or individually by applicable law or by these Bylaws;
- (b) Appoint and remove, subject to any employment agreement or applicable District policy, any Board appointed officers, agents, or employees of the District; prescribe powers and duties for them that are consistent with applicable law, and with these Bylaws;
- (c) Change the principal office within the District boundaries from one (1) location to another; cause the District to conduct its activities within or outside the State of California; and designate any place for holding any meeting of Directors in accordance with applicable law;
- (d) Approve an annual operating budget and capital expenditure budget, authorize the borrowing of money and the incurrence of indebtedness on behalf of the District, and cause to be executed and delivered for the District's purposes any other evidences of debt and securities;
- (e) Pursuant to authority hereinafter granted, appoint committees and delegate to such committees powers and authority of the Board in the management of the activities and affairs of the District, except the power to adopt, amend or repeal Bylaws, and except as otherwise set forth herein;
- (f) Engage legal counsel to advise the Board on matters pertaining to the business of the District; and
- (g) Adopt a comprehensive set of Board policies to govern the operation of the District. These policies shall be amended and revised as appropriate and shall be compiled and published in a Board Policies Manual. The District shall keep a master copy of such manual, which shall be the official record of the Board policies of the District.

2.3 Number of Directors The Board shall consist of five (5) members elected at large, or as revised pursuant to Public Resources Code Section 9301, who meet the eligibility requirements delineated in Public Resources Code Section 9352.

2.4 Term of Office Members of the Board shall serve a term of four (4) years.

2.5 Election and Vacancies

- (a) The election of the members of the Board shall be held on the first Tuesday after the first Monday in November in each even-numbered year, at which time a successor shall be chosen for each Director whose term shall expire on the last Friday of November following such election, or upon County certification of the election results, whichever is later. The election shall be consolidated with the Statewide General Election pursuant to Elections Code Sections 10400, et seq.
- (b) Vacancies on the Board shall be filled in accordance with applicable law, including Public Resources Code Sections 9316 and 9317, Elections Code Sections 1000, et seq. and Government Code Sections 1780, et seq.
- (c) Notwithstanding any other provision of law, the term of any member of the Board may be deemed expired if he or she is absent from three (3) consecutive Board meetings and the Board, by resolution, declares the term of that member expired and that a vacancy exists on the Board. The remaining members of the Board may excuse such absences in their discretion.
- (d) As an alternative to the election of Directors, the Board may request that the Board of Supervisors for the County of Sacramento appoint Directors in accordance with Public Resources Code Section 9314(b).

2.6 Compensation In accordance with Public Resources Code Section 9303, members of the Board shall serve without compensation, with the exception each director shall be reimbursed for necessary travel and incidental expenses incurred in the performance of official District business.

2.7 Associate Directors The Board may appoint up to five (5) Associate Directors who have special expertise in an area of interest to the District. Associate Directors must meet the residency, property ownership or agency eligibility requirements of Public Resources Code Section 9352. Associate Directors may participate in discussions at the Board meetings, however, they may not vote on any item before the Board or participate in closed session discussions.

ARTICLE III

OFFICERS

3.1 Officers The officers of the District shall be members of the Board and duly elected. The officers shall include a Chair and Vice-Chair. The Chair, Vice-Chair and additional officers, as may be designated by the Board, shall be elected by the Board at the first regular meeting in January of each year, or in the case of a year in which there has been an election of one (1) or more members of the Board, at

the first regular meeting following certification of the results of said election. Each officer so elected shall serve a term of one (1) year, provided, however, that an officer may resign at any time or be removed by majority vote of the other members of the Board then in office at any regular or special meeting of the Board, so long as such item is placed on the agenda in a manner consistent with Government Code Sections 54950, et seq., otherwise known and referred to herein as the Ralph M. Brown Act ("Brown Act"). In the event of a resignation or removal of an officer, the Board shall elect a successor to serve for the remainder of that officer's unexpired term.

3.2 Chair The Board shall elect one (1) of its members to act as Chair and, if at any time the Chair shall be unable to act, the Vice-Chair shall assume the role and perform all duties of the Chair. The duties of the Chair, or acting officer, include:

- (a) Presiding over all meetings of the Board;
- (b) Signing contracts, conveyances and other instruments in writing as the Board shall authorize or direct the Chair to sign;
- (c) Being responsible for coordination and liaison with District legal counsel, auditors and other consultants who report directly to the Board, unless delegated to the General Manager;
- (d) Designating members of the Board to undertake special responsibilities and to report to the Board on those activities;
- (e) Representing the Board at official functions when necessary, serve as the spokesperson for the Board regarding Board actions, and keep the Board informed of such occasions; and
- (f) Performing other duties as they pertain to the office, as prescribed by the Board.

3.3 Vice-Chair In the absence or inability of the Chair to serve, the Vice-Chair shall perform the duties of the Chair, and shall perform other duties pertaining to the office as are prescribed by the Board.

3.4 Additional Officers The Board may create additional offices as the business of the District may require. The elected officer shall hold office for a specified period of time, have authority, and perform such duties as are provided in these Bylaws, or as the Board determines from time to time. Additional offices may be filled either by members or non-members of the Board.

ARTICLE IV
COMMITTEES

- 4.1 Committees of the Board The Board shall have the power to create and appoint members to Advisory and Standing Committees. Any committee, to the extent provided in the Board motion, shall only have the authority delegated by the Board and may not bind the District regarding matters that should be before the Board.
- 4.2 Meetings and Actions of Committees Meetings and actions of committees shall be governed by, held, and taken in accordance with, the provisions of these Bylaws. The time for committee meetings may be determined either by Board motion or the Chair. The Board may adopt rules for the government of any committee, provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.
- 4.3 Advisory Committees Advisory Committees may be created for special tasks as circumstances warrant. The Advisory Committee shall limit its activities to the accomplishments of the task for which it is appointed and shall not have power to act, except as is specifically conferred by action of the Board. Upon completion of the task for which appointed, the Advisory Committee shall be terminated.
- 4.4 Standing Committees The Standing Committees of the Board shall consist of: (a) Conservation;(b) Infrastructure; and such additional bodies as created by the Board in accordance with the Brown Act.

ARTICLE V
GENERAL MANAGER

- 5.1 General Provisions The Board shall select and contract with a General Manager, who shall be the chief administrator of the District. The General Manager shall have the operational authority for the day-to-day administration and management of the District in all its services, activities and departments, subject only to such policies adopted and/or issued by the Board. The General Manager shall act as the duly authorized representative of the Board in all matters the Board has not otherwise formally designated to another or to itself.
- 5.2 Authorities and Duties The General Manager shall have complete administrative authority over the District and shall be responsible for the efficient operation of the system in all departments/divisions, as designated in their job description. The General Manager shall be responsible for:
 - (a) Implementing Board policies;

- (b) Providing leadership to staff in identifying District needs, establishing priorities and determining the objectives, which will achieve the established goals of the District;
- (c) Encouraging and assisting staff in the performance of their duties and encouraging professional growth;
- (d) Interpreting and publicizing the programs and services of the District for and to the public;
- (e) Leading the District management team in the preparation of the budget, control of expenditures, inventory control, program planning, changing priorities, community relations, and participating in community activities;
- (f) Hiring, evaluating, and dismissing District staff or delegating this responsibility to their designee;
- (g) Negotiating all contracts on the District's behalf; and
- (h) Other duties as prescribed by the Board.

ARTICLE VI

SECRETARY TO THE BOARD

The Secretary to the Board shall be appointed by the Board. The Secretary to the Board, or his or her designee, shall be present at all regular, special and adjourned meetings of the Board and be responsible for:

- (a) Keeping records of all actions, proceedings, and minutes of meetings of the Board and maintaining such records in the office of the District;
- (b) Seeing that all ordinances and resolutions of the Board are properly recorded and are maintained in the office of the District;
- (c) Posting all notices required either by applicable law or these Bylaws;
- (d) Signing, along with the Chair, all official documents of the Board; and
- (e) Administering oaths and affirmations.

**ARTICLE VII
TREASURER**

The Treasurer shall be appointed by the Board. The Treasurer, or his or her designee, shall be present at all regular, special and adjourned meetings of the Board and be responsible for:

- (a) Keeping complete and accurate records of District revenues and expenditures;
- (b) Safekeeping and dispersal of funds in the treasury of the District, in accordance with applicable law and in accordance with resolutions, procedures and directions as the Board may adopt;
- (c) Issuing receipts for money received by the District;
- (d) Paying District bills;
- (e) Completing monthly and annual financial reports; and
- (f) Completing financial audits as required by applicable law.

**ARTICLE VIII
MEETINGS AND ORDER OF BUSINESS**

8.1 Meetings

- (a) Compliance with Law All meeting sessions of the Board, whether regular or special, shall be conducted in accordance with the Resource Conservation Law and the Brown Act.
- (b) Regular Meetings The regular meetings of the Board shall be held on such day, time, and location as the Board may from time to time establish, so long as the meetings are within the District's boundaries. The agenda for any regular meeting of the Board shall be posted on the District website and in a clearly visible and accessible site where the District meeting is held, no less than seventy-two (72) hours prior to the regular meeting.
- (c) Special Meetings Notwithstanding Public Resources Code Sections 9310 and 9311, special meetings of the Board may be held in conformance with the Brown Act. Special meetings may be called by the Chair or a majority of the members of the Board. The agenda for any special meeting shall be posted on the District website and in a clearly visible and accessible site

where the meeting is held, at least twenty-four (24) hours in advance of the special meeting.

- (d) Agenda The agenda shall contain a description of each item to be discussed. Items not appearing on the agenda shall not be discussed, except in compliance with the applicable provisions of the Brown Act.
- (e) Order of Business The order of business at the meetings of the Board shall follow the agenda for the meeting, provided, however, that the order of business may be varied in the Chair's discretion. The agenda for Board meetings shall be developed by the Chair in conjunction with the General Manager. Any Director may request that a matter be added to a future Board meeting agenda. If a Director proposes during a Board meeting that an item be added to the agenda for a future Board meeting, then the item shall be added to the Board agenda unless a majority of the Board votes that the item not be added to the agenda. If such a proposal is made between Board meetings, the Director shall communicate the substance of the proposed item to the Chair and the General Manager with sufficient detail so the item may be properly added to the agenda in accordance with the Brown Act. The finalization of the agenda is left to the discretion and is the responsibility of the Chair.

8.2 Conduct of Business

- (a) Rules All meetings of the Board shall be conducted in accordance with the Brown Act, the Resource Conservation Law, other laws governing the conduct of meetings by public agencies, and rules established from time to time by resolution of the Board. ~~Robert's-Rosenberg's~~ Rules of Order shall be the guide on ~~all points~~ rules of meeting procedures not specified in these Bylaws.
- (b) Quorum A majority of members of the Board shall constitute a quorum for the transaction of business.
- (c) Minutes The Secretary of the Board, or his or her designee, shall keep a record of minutes of all meetings and retain the minutes in accordance with in compliance with Robert's Rules of Order, following the District's Records Retention Policy.
- (d) Action The Board shall act only by vote, motion, resolution, and ordinance, all of which shall be entered into the minutes. In accordance with Public Resources Code Section 9312, all questions requiring a vote shall require a concurrence of at least the number constituting a quorum.

ARTICLE IX
SEVERABILITY

If any article, subsection, paragraph, sentence, clause or phrase of these Bylaws is for any reason held to be in conflict with the provisions of the Resource Conservation Law or any other law, statute, rule or regulation, such conflict shall not affect the validity of the remaining portion of these Bylaws.

ARTICLE X
INDEMNIFICATION

To the fullest extent permissible under California law, the District shall indemnify and provide a defense to its current and former members of the Board, officers and employees with respect to any civil action or proceeding brought against him or her on account of an act or omission in the scope of employment or other duties with the District, provided that the District need not provide a defense when it determines that the member, officer, or employee acted or failed to act because of actual fraud or corruption.

ARTICLE XI
AMENDMENTS

The District Bylaws may be amended by affirmative vote of two-thirds of its members at any regular or special meeting of the Board.

Adopted: February 24, 2010

Amended: January 21, 2020



Rosenberg's Rules of Order

REVISED 2011

Simple Rules of Parliamentary Procedure for the 21st Century

By Judge Dave Rosenberg



MISSION AND CORE BELIEFS

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

VISION

To be recognized and respected as the leading advocate for the common interests of California's cities.

About the League of California Cities

Established in 1898, the League of California Cities is a member organization that represents California's incorporated cities. The League strives to protect the local authority and autonomy of city government and help California's cities effectively serve their residents. In addition to advocating on cities' behalf at the state capitol, the League provides its members with professional development programs and information resources, conducts education conferences and research, and publishes Western City magazine.

© 2011 League of California Cities. All rights reserved.

ABOUT THE AUTHOR

Dave Rosenberg is a Superior Court Judge in Yolo County. He has served as presiding judge of his court, and as presiding judge of the Superior Court Appellate Division. He also has served as chair of the Trial Court Presiding Judges Advisory Committee (the committee composed of all 58 California presiding judges) and as an advisory member of the California Judicial Council. Prior to his appointment to the bench, Rosenberg was member of the Yolo County Board of Supervisors, where he served two terms as chair. Rosenberg also served on the Davis City Council, including two terms as mayor. He has served on the senior staff of two governors, and worked for 19 years in private law practice. Rosenberg has served as a member and chair of numerous state, regional and local boards. Rosenberg chaired the California State Lottery Commission, the California Victim Compensation and Government Claims Board, the Yolo-Solano Air Quality Management District, the Yolo County Economic Development Commission, and the Yolo County Criminal Justice Cabinet. For many years, he has taught classes on parliamentary procedure and has served as parliamentarian for large and small bodies.



TABLE OF CONTENTS

About the Author	ii
Introduction	2
Establishing a Quorum.....	2
The Role of the Chair.....	2
The Basic Format for an Agenda Item Discussion	2
Motions in General.....	3
The Three Basic Motions.....	3
Multiple Motions Before the Body.....	4
To Debate or Not to Debate.....	4
Majority and Super-Majority Votes	5
Counting Votes.....	5
The Motion to Reconsider.....	6
Courtesy and Decorum	7
Special Notes About Public Input	7

INTRODUCTION

The rules of procedure at meetings should be simple enough for most people to understand. Unfortunately, that has not always been the case. Virtually all clubs, associations, boards, councils and bodies follow a set of rules — *Robert's Rules of Order* — which are embodied in a small, but complex, book. Virtually no one I know has actually read this book cover to cover. Worse yet, the book was written for another time and for another purpose. If one is chairing or running a parliament, then *Robert's Rules of Order* is a dandy and quite useful handbook for procedure in that complex setting. On the other hand, if one is running a meeting of say, a five-member body with a few members of the public in attendance, a simplified version of the rules of parliamentary procedure is in order.

Hence, the birth of *Rosenberg's Rules of Order*.

What follows is my version of the rules of parliamentary procedure, based on my decades of experience chairing meetings in state and local government. These rules have been simplified for the smaller bodies we chair or in which we participate, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. Interestingly enough, *Rosenberg's Rules* has found a welcoming audience. Hundreds of cities, counties, special districts, committees, boards, commissions, neighborhood associations and private corporations and companies have adopted *Rosenberg's Rules* in lieu of *Robert's Rules* because they have found them practical, logical, simple, easy to learn and user friendly.

This treatise on modern parliamentary procedure is built on a foundation supported by the following four pillars:

1. **Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
2. **Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
3. **Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
4. **Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. A quorum is defined as the minimum number of members of the body who must be present at a meeting for business to be legally transacted. The default rule is that a quorum is one more than half the body. For example, in a five-member body a quorum is three. When the body has three members present, it can legally transact business. If the body has less than a quorum of members present, it cannot legally transact business. And even if the body has a quorum to begin the meeting, the body can lose the quorum during the meeting when a member departs (or even when a member leaves the dais). When that occurs the body loses its ability to transact business until and unless a quorum is reestablished.

The default rule, identified above, however, gives way to a specific rule of the body that establishes a quorum. For example, the rules of a particular five-member body may indicate that a quorum is four members for that particular body. The body must follow the rules it has established for its quorum. In the absence of such a specific rule, the quorum is one more than half the members of the body.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

Formal meetings normally have a written, often published agenda. Informal meetings may have only an oral or understood agenda. In either case, the meeting is governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is. The chair should then announce the format (which follows) that will be followed in considering the agenda item.

Second, following that agenda format, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have. The appropriate person or persons may be the chair, a member of the body, a staff person, or a committee chair charged with providing input on the agenda item.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond.

Fourth, the chair should invite public comments, or if appropriate at a formal meeting, should open the public meeting for public input. If numerous members of the public indicate a desire to speak to the subject, the chair may limit the time of public speakers. At the conclusion of the public comments, the chair should announce that public input has concluded (or the public hearing, as the case may be, is closed).

Fifth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Sixth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. It is normally good practice for a motion to require a second before proceeding to ensure that it is not just one member of the body who is interested in a particular approach. However, a second is not an absolute requirement, and the chair can proceed with consideration and vote on a motion even when there is no second. This is a matter left to the discretion of the chair.

Seventh, if the motion is made and seconded, the chair should make sure everyone understands the motion.

This is done in one of three ways:

1. The chair can ask the maker of the motion to repeat it;
2. The chair can repeat the motion; or
3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Eighth, the chair should now invite discussion of the motion by the body. If there is no desired discussion, or after the discussion has ended, the chair should announce that the body will vote on the motion. If there has been no discussion or very brief discussion, then the vote on the motion should proceed immediately and there is no need to repeat the motion. If there has been substantial discussion, then it is normally best to make sure everyone understands the motion by repeating it.

Ninth, the chair takes a vote. Simply asking for the “ayes” and then asking for the “nays” normally does this. If members of the body do not vote, then they “abstain.” Unless the rules of the body provide otherwise (or unless a super majority is required as delineated later in these rules), then a simple majority (as defined in law or the rules of the body as delineated later in these rules) determines whether the motion passes or is defeated.

Tenth, the chair should announce the result of the vote and what action (if any) the body has taken. In announcing the result, the chair should indicate the names of the members of the body, if any, who voted in the minority on the motion. This announcement might take the following form: “The motion passes by a vote of 3-2, with Smith and Jones dissenting. We have passed the motion requiring a 10-day notice for all future meetings of this body.”

Motions in General

Motions are the vehicles for decision making by a body. It is usually best to have a motion before the body prior to commencing discussion of an agenda item. This helps the body focus.

Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member’s desired approach with the words “I move . . .”

A typical motion might be: “I move that we give a 10-day notice in the future for all our meetings.”

The chair usually initiates the motion in one of three ways:

1. **Inviting the members of the body to make a motion**, for example, “A motion at this time would be in order.”
2. **Suggesting a motion to the members of the body**, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”
3. **Making the motion**. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions

There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”

The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed *first* on the *last* motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

First, the chair would deal with the *third* (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion *passed*, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion *failed*, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend *passed*, the chair would then move to consider the main motion (the first motion) as *amended*. If the motion to amend *failed*, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if *amended*, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting. It requires a simple majority vote.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess which may be a few minutes or an hour. It requires a simple majority vote.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.” It requires a simple majority vote.

Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting. A motion to table an item (or to bring it back to the body) requires a simple majority vote.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate. The motion to limit debate requires a two-thirds vote of the body.

NOTE: A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.” Even in this format, the motion to limit debate requires a two-thirds vote of the body. A similar motion is a *motion to object to consideration of an item*. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority and Super Majority Votes

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

All motions require a simple majority, but there are a few exceptions. The exceptions come up when the body is taking an action which effectively cuts off the ability of a minority of the body to take an action or discuss an item. These extraordinary motions require a two-thirds majority (a super majority) to pass:

Motion to limit debate. Whether a member says, “I move the previous question,” or “I move the question,” or “I call the question,” or “I move to limit debate,” it all amounts to an attempt to cut off the ability of the minority to discuss an item, and it requires a two-thirds vote to pass.

Motion to close nominations. When choosing officers of the body (such as the chair), nominations are in order either from a nominating committee or from the floor of the body. A motion to close nominations effectively cuts off the right of the minority to nominate officers and it requires a two-thirds vote to pass.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable, and it requires a two-thirds vote to pass.

Motion to suspend the rules. This motion is debatable, but requires a two-thirds vote to pass. If the body has its own rules of order, conduct or procedure, this motion allows the body to suspend the rules for a particular purpose. For example, the body (a private club) might have a rule prohibiting the attendance at meetings by non-club members. A motion to suspend the rules would be in order to allow a non-club member to attend a meeting of the club on a particular date or on a particular agenda item.

Counting Votes

The matter of counting votes starts simple, but can become complicated.

Usually, it’s pretty easy to determine whether a particular motion passed or whether it was defeated. If a simple majority vote is needed to pass a motion, then one vote more than 50 percent of the body is required. For example, in a five-member body, if the vote is three in favor and two opposed, the motion passes. If it is two in favor and three opposed, the motion is defeated.

If a two-thirds majority vote is needed to pass a motion, then how many affirmative votes are required? The simple rule of thumb is to count the “no” votes and double that count to determine how many “yes” votes are needed to pass a particular motion. For example, in a seven-member body, if two members vote “no” then the “yes” vote of at least four members is required to achieve a two-thirds majority vote to pass the motion.

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

Vote counting starts to become complicated when members vote “abstain” or in the case of a written ballot, cast a blank (or unreadable) ballot. Do these votes count, and if so, how does one count them? The starting point is always to check the statutes.

In California, for example, for an action of a board of supervisors to be valid and binding, the action must be approved by a majority of the board. (California Government Code Section 25005.) Typically, this means three of the five members of the board must vote affirmatively in favor of the action. A vote of 2-1 would not be sufficient. A vote of 3-0 with two abstentions would be sufficient. In general law cities in

California, as another example, resolutions or orders for the payment of money and all ordinances require a recorded vote of the total members of the city council. (California Government Code Section 36936.) Cities with charters may prescribe their own vote requirements. Local elected officials are always well-advised to consult with their local agency counsel on how state law may affect the vote count.

After consulting state statutes, step number two is to check the rules of the body. If the rules of the body say that you count votes of “those present” then you treat abstentions one way. However, if the rules of the body say that you count the votes of those “present and voting,” then you treat abstentions a different way. And if the rules of the body are silent on the subject, then the general rule of thumb (and default rule) is that you count all votes that are “present and voting.”

Accordingly, under the “present and voting” system, you would **NOT** count abstention votes on the motion. Members who abstain are counted for purposes of determining quorum (they are “present”), but you treat the abstention votes on the motion as if they did not exist (they are not “voting”). On the other hand, if the rules of the body specifically say that you count votes of those “present” then you **DO** count abstention votes both in establishing the quorum and on the motion. In this event, the abstention votes act just like “no” votes.

How does this work in practice?

Here are a few examples.

Assume that a five-member city council is voting on a motion that requires a simple majority vote to pass, and assume further that the body has no specific rule on counting votes. Accordingly, the default rule kicks in and we count all votes of members that are “present and voting.” If the vote on the motion is 3-2, the motion passes. If the motion is 2-2 with one abstention, the motion fails.

Assume a five-member city council voting on a motion that requires a two-thirds majority vote to pass, and further assume that the body has no specific rule on counting votes. Again, the default rule applies. If the vote is 3-2, the motion fails for lack of a two-thirds majority. If the vote is 4-1, the motion passes with a clear two-thirds majority. A vote of three “yes,” one “no” and one “abstain” also results in passage of the motion. Once again, the abstention is counted only for the purpose of determining quorum, but on the actual vote on the motion, it is as if the abstention vote never existed — so an effective 3-1 vote is clearly a two-thirds majority vote.

Now, change the scenario slightly. Assume the same five-member city council voting on a motion that requires a two-thirds majority vote to pass, but now assume that the body **DOES** have a specific rule requiring a two-thirds vote of members “present.” Under this specific rule, we must count the members present not only for quorum but also for the motion. In this scenario, any abstention has the same force and effect as if it were a “no” vote. Accordingly, if the votes were three “yes,” one “no” and one “abstain,” then the motion fails. The abstention in this case is treated like a “no” vote and effective vote of 3-2 is not enough to pass two-thirds majority muster.

Now, exactly how does a member cast an “abstention” vote?

Any time a member votes “abstain” or says, “I abstain,” that is an abstention. However, if a member votes “present” that is also treated as an abstention (the member is essentially saying, “Count me for purposes of a quorum, but my vote on the issue is abstain.”) In fact, any manifestation of intention not to vote either “yes” or “no” on the pending motion may be treated by the chair as an abstention. If written ballots are cast, a blank or unreadable ballot is counted as an abstention as well.

Can a member vote “absent” or “count me as absent?” Interesting question. The ruling on this is up to the chair. The better approach is for the chair to count this as if the member had left his/her chair and is actually “absent.” That, of course, affects the quorum. However, the chair may also treat this as a vote to abstain, particularly if the person does not actually leave the dais.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to consider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend the rules and, by a two-thirds majority, allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Debate and discussion should be focused, but free and open. In the interest of time, the chair may, however, limit the time allotted to speakers, including members of the body.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.



1400 K Street, Sacramento, CA 95814
(916) 658-8200 | Fax (916) 658-8240
www.cacities.org

To order additional copies of this publication, call (916) 658-8200.

\$10

© 2011 League of California Cities. All rights reserved.

♻️ Printed on recycled paper.

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Ben Voelz, Associate Engineer

SUBJECT: **TRENCH PLATE PURCHASE**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors authorize the General Manager to execute a purchase order in the amount of \$117,450.00 to Trench and Traffic Supply to procure 40 new six-foot by ten-foot steel trench plates.

SUMMARY

Following the adoption of the Florin Resource Conservation District/Elk Grove Water District (District) Fiscal Year (FY) 2023-24 Operating Budget and FY 2024-2028 Capital Improvement Program (CIP), staff solicited bids from three (3) companies for the procurement of 40 new six-foot by ten-foot steel trench plates. Trench and Traffic Supply was the lowest responsive, responsible bidder with a bid amount of \$117,450.00. Purchasing new trench plates is included in the approved FY 2023-24 CIP budget. The approved budget for the Trench Plate Purchase project is \$130,000.

Staff recommends that the Florin Resource Conservation District Board of Directors (Board) authorize the General Manager to execute a purchase order (attached) in the amount of \$117,450.00 to Trench and Traffic Supply to procure 40 new six-foot by ten-foot steel trench plates.

DISCUSSION

Background

On May 16, 2023, by Resolution No. 05.16.23.01, the Board adopted the FY 2024-28 CIP and appropriated \$3,175,000, for capital improvement projects for FY 2023-24. This fiscal year's CIP includes the purchase of 40 new six-foot by ten-foot steel trench plates for use primarily by the Utility crew with a budget of \$130,000.

Historically, the District rents steel trench plates year-round for use during water main replacement projects to cover the excavated trench before it is backfilled. Currently, the District rents 40 six-foot by ten-foot steel trench plates at a discounted rate of \$5 per plate per day. This equates to a rental expense of \$73,000 per year. This cost is likely to

TRENCH PLATE PURCHASE

Page 2

increase over time. The current average rental cost of trench plates from companies in the Sacramento area is between \$8 to \$10 per plate per day.

Present Situation

With Board approval, staff is planning to procure 40 new steel trench plates as soon as possible to avoid any price inflation. Staff solicited bids from three (3) companies. A summary of the bid prices is shown below.

<u>Company Name</u>	<u>Bid Amount</u>
Trench and Traffic Supply	\$117,450.00
California Steel Services	\$213,021.26
Iron Lot, LLC	Bid did not meet specs

The payout for purchasing trench plates as opposed to renting them is no more than two (2) years at the current rental rate. If the rental rate increases, then the payout period would be even less.

Staff recommends that the Board authorize the General Manager to execute a purchase order in the amount of \$117,450.00 to Trench and Traffic Supply to procure 40 new six-foot by ten-foot steel trench plates.

ENVIRONMENTAL CONSIDERATIONS

California Environmental Quality Act (CEQA) does not apply to proposed equipment purchase.

STRATEGIC PLAN CONFORMITY

The recommendation made in this staff report conforms to Strategic Goal 3, Planning and Operational Efficiency. Strategic Goal 3 directs EGWD to practice ongoing infrastructure renewal and organizational improvement through planning and increased operational efficiency. Implementing the projects contained in the capital improvement program meets this directive.

July 18, 2023

TRENCH PLATE PURCHASE

Page 3

FINANCIAL SUMMARY

The financial impact of the purchase for the Trench Plate Purchase CIP project is \$117,450.00. The funds for this project will be paid for from the approved fiscal year 2023-24 CIP reserve fund.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ben Voelz", is positioned above the printed name.

BEN VOELZ
ASSOCIATE ENGINEER

Attachment

Attachment

**PURCHASE ORDER
FOR
FLORIN RESOURCE CONSERVATION DISTRICT**

Purchase Order No. 24-

GL# 1700-000-20-415

Seller:		Buyer:		
Name	Trench & Traffic Supply	Elk Grove Water District		
Address	4680 W Capitol Ave	9829 Waterman Rd.		
City, State Zip	West Sacramento, CA 95691	Elk Grove, CA 95624		
Attn:	Byron Young	Attn: Bruce Kamilos, General Manager		
Phone:	(888) 920-3304 Fax:	Phone: 916.685.3556 Fax: 916.685.5376		
	(916) 917-3592			
E-mail:	by@trenchandtraffic.com	E-mail: bkamilos@egwd.org		
Project Information:		Ship To:		
6' x 10' x 1' Non-Skid Steel Trench Plates		Elk Grove Water District		
		9829 Waterman Rd.		
		Elk Grove, CA 95624		
		Attn: Bruce Kamilos		
Please forward all invoices to accountspayable@egwd.org				
Order Date	Delivery Date	Ship Via	FOB	Payment Terms
7/10/2023	per contract terms			Net 30 days of invoice

Buyer and Seller agree as follows:

MATERIAL, EQUIPMENT AND/OR SERVICES TO BE PROVIDED: Seller shall furnish the material, equipment and/or services described below which is incorporated into and made part of this Purchase Order. In the event of any conflict between the language in this Purchase Order and the language in the Professional Services Agreement or Construction Contract, the language in the Professional Services Agreement or Construction Contract shall prevail over the language in this Purchase Order.

Description Item No.	Estimated Quantity	Unit Price	Ext. Price	Delivery Date
6' x 10' x 1' steel plates	40	\$2700.00	\$108,000	
Non-skid: Creates skid resistant surface			\$0.00	
Crane truck, \$150 per hour w/ \$250 min, flatbed \$125 per hr w/ \$125 min, P/U truck \$95 per hr, w/ \$95 min			\$0.00	
Sales Tax			\$9,450.00	
Total			\$117,450.00	

[Attach Additional Sheets if necessary]

Buyer:

By: Bruce Kamilos
Title: General Manager

Seller:

By: Byron Young
Title: Branch Manager

PURCHASE ORDER TERMS AND CONDITIONS

ARTICLE 1. DEFINITIONS: The Term "Buyer" as used in this PO means the FLORIN RESOURCE CONSERVATION DISTRICT, and the term "Seller" means the person, firm, or corporation from whom the commodity of service described in the PO it ordered. The term "Material, Equipment, and/or Services" includes materials, supplies, equipment, drawings, data and other property to be furnished and all services including design, delivery, installation, inspection, and testing specified or required to furnish any material, equipment, and/or services.

ARTICLE 2. ACCEPTANCE OF THE PO: The attached Acceptance Copy shall be signed and returned by the Seller within ten (10) calendar days after it is received by the Seller. The receipt by the Buyer of the signed Acceptance Copy or the initiation of performance under this PO by the Seller shall constitute acceptance of the PO by the Seller, including all of the terms and conditions herein. Acceptance is limited to the terms stated herein. Any additional or different terms and conditions proposed by the Seller are rejected unless expressly agreed to in writing by an authorized representative of the Buyer's Purchasing Department.

ARTICLE 3. COMPLETE AGREEMENT: This PO, including all applicable terms, conditions and specifications, shall constitute the sole and exclusive agreement between the parties. This PO supersedes all other writings and negotiations written or oral. Buyer will not be responsible for goods delivered or services rendered without a PO properly signed by the Buyer Purchasing Agent or authorized agent. When this PO covers a continuing service rendered over a stated period of time, Seller must obtain a new order upon expiration of the time period to authorize the continuance of the service for an additional period of time.

ARTICLE 4. DEFAULT: The Buyer may terminate the whole or any part of Seller's work in any one of the following circumstances: (1) If the Seller fails to make delivery or fails to perform within the time specified herein or any authorized extension thereof; or (2) If Seller delivers nonconforming goods; or (3) If Seller fails to perform in accordance with the material provisions of this PO, or so fails to make progress as to endanger performance of this PO in accordance with its terms. In the event of any such failure Buyer will provide Seller with written notice of the default and Buyer's intention to terminate for default if Seller fails to cure the default to Buyer's satisfaction within seven calendar days of Buyer's notice. If Seller fails to cure or correct the default to Buyer's satisfaction within seven days, Buyer may, without further notice to Seller, procure upon such terms and in such manner as the Buyer may deem appropriate, items similar to those terminated, and the Seller shall be liable to the Buyer for any excess costs of such similar items; however, the Seller shall continue the performance of this PO to the extent not terminated. The rights and remedies of the Buyer provided in this clause shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this PO.

ARTICLE 5. CHANGES: Buyer may direct in writing changes, including additions to or deletions from the quantities originally ordered, or in the specifications or drawings. If any such change causes a material increase or decrease in the cost of, or the time required for, performance hereunder, an equitable adjustment shall be made in the price or schedule. Any claims for adjustment which Seller believes result from any change directed by Buyer shall be asserted in writing by Seller no later than ten (10) days from the date of Seller's receipt of any such direction. Equitable adjustments for any claims or changes under this agreement, including claims arising from terminations or suspensions directed under DEFAULT above, of this agreement, will be made by written Change Order. Nothing contained herein shall excuse Seller from proceeding with the change as directed prior to negotiation of any adjustment. Whether made pursuant to this clause or by mutual agreement, changes shall not be binding upon the Buyer, except when

confirmed in writing by a member of the Buyer's Purchasing Department.

ARTICLE 6. INVOICES: Unless otherwise specified in the PO, Seller shall send Buyer a single invoice upon completion of performance. Payment shall not be made prior to receipt and acceptance of items and an invoice.

ARTICLE 7. PROVISIONS REQUIRED BY LAW DEEMED INSERTED: Each and every provision of law and clause required by law to be inserted in this contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provisions is not inserted, or is not correctly inserted then upon application of either party the contract shall forthwith be physically amended to make such insertion or correct.

ARTICLE 8. RIGHT TO AUDIT: Buyer reserves the right to access and audit the Seller's records for a period of four (4) years after payment of any invoice.

ARTICLE 9. TITLE AND RISK OF LOSS: All prices shall be F.O.B. Destination. The Seller shall be responsible for safe and adequate packing of the items, which shall conform to the carriers' requirements. The Seller shall separately number all cases and packages, showing the corresponding numbers on the invoices. An itemized packing slip bearing this PO number shall be placed in each container. No extra charge shall be made for packaging or packing materials unless authority therefor is set forth in this PO. Seller shall assume and pay for any and all loss or damage to the merchandise from any cause whatsoever until delivered to Buyer at the specified destination.

ARTICLE 10. DELIVERY: Timely performance and deliveries are essential to this PO. The Buyer reserves the right to refuse deliveries made in advance of the delivery schedule. Over shipment allowances, if authorized, will be applied to the entire order. If the Buyer agrees to accept deliveries after the date of delivery has passed, the Buyer shall have the right to direct the Seller to make shipment to the delivery point set forth in this PO by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by the Seller. Acceptance of late deliveries shall not be deemed a waiver of the Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make future deliveries in accordance with the delivery schedule.

ARTICLE 11. DELAYS: Seller will not be liable for delays in performing its obligations to the extent the delay is caused by an unforeseeable condition which is beyond Seller's reasonable control and without Seller's fault or negligence. Acts of God, such as storms or floods, as well as government priorities, acts of civil or military authorities, fires, strikes, epidemics, war or riot are examples of events which will be excusable for being beyond Seller's reasonable control, only upon fulfillment of the following conditions: (a) within seven (7) days of the commencement of any excusable delay, Seller shall provide Buyer with written notice of the cause and extent thereof as well as a request for a schedule extension for the estimated duration thereof, and (b) within seven (7) days of the cessation of the event causing delay Seller shall provide Buyer with written notice of the actual delay incurred, upon receipt of which, the date of promised delivery shall be extended for the time actually lost by reason of an excusable delay.

ARTICLE 12. INSPECTION AND APPROVAL: All items are subject to final inspection and approval after delivery to Buyer. If any items are defective in material or workmanship or otherwise not in conformity with the requirements of this PO, the Buyer shall have the right to require Seller to correct or replace them. Final acceptance or rejection shall be made by the Buyer as promptly as practicable after delivery. Final acceptance shall be conclusive except with respect to latent defects,

fraud or such gross mistakes as amount to fraud, or with respect to the Buyer's rights under the "Warranty" clause.

ARTICLE 13. WARRANTIES-GUARANTEES: The Seller warrants that the items, at time of delivery, shall conform to the Buyer's specifications, the requirements of this PO, approved sample or samples, if any, and are free from defects in design, material and workmanship. Unless otherwise specified in the PO, this warranty shall remain in effect for a one (1) year period after delivery or for such period of time as the item is normally warranted. At the Buyer's option, the Seller shall promptly either repair or replace defective items after receipt of the Buyer's written notice of a defect. Transportation charges for the return and redelivery of defective items shall be borne by the Seller. Seller also warrants that said merchandise is free and clear of all liens and encumbrances whatsoever and the Seller has good and marketable title to same, and Seller agrees to indemnify, defend and hold the Buyer, its officers, agents and employees free and harmless against any and all claimants to said merchandise.

ARTICLE 14. COMPLIANCE WITH ALL APPLICABLE LAWS: Seller's performance shall in all ways strictly conform with all applicable State, Federal and local laws, regulations, safety orders, and working conditions to which it is subject including, but not limited to, safety rules and regulations prevailing wages under the California Labor Code. Seller shall execute and deliver any and all documents as may be required to effect or evidence compliance.

ARTICLE 15. EQUAL OPPORTUNITY EMPLOYER: It is the policy of Buyer that in connection with all materials furnished or work performed under this PO, there be no discrimination against employees because of race, religion, color, sex or national origin, and therefore the Seller agrees to comply with applicable Federal and California laws including, but not limited to, the California Fair Employment Practices Act.

ARTICLE 16. PERMITS OR LICENSES: Seller and all of its employees or agents shall secure and maintain in force such licenses and permits as are required by law, and by the City, in connection with the furnishing of Material, Equipment, and/or Services herein requested.

ARTICLE 17. INDEMNITY: Seller assumes all risk in connection with performance or non-performance of this PO. Seller shall indemnify, defend, and hold harmless Buyer and its elected officials, officers and employees, from all liabilities, obligations, orders, claims, actual damages, governmental fines or penalties, and expenses of defense with respect to such claims (including attorneys' fees and costs) of any kind or nature which may be caused by or arise from furnishing the Material, Equipment, and/or Services, whether such activities or performance thereof be by Seller or by anyone directly or indirectly employed or contracted with by Seller, and whether such liabilities, obligations, orders, claims, actual damages, governmental fines or penalties, and expenses of defense with respect to such claims (including attorneys' fees and costs) shall accrue or be discovered before or after termination of this agreement.

ARTICLE 18. TAXES: Unless prohibited by law, Seller shall pay and has included in the prices of this PO any federal, state or local tax, transportation tax, or other tax which is required to be imposed upon the items ordered hereunder, or by reason of their sale or delivery.

ARTICLE 19. TERMINATION FOR CONVENIENCE: Buyer shall have the right to terminate this PO in whole or in part at any time, and from time to time, by written or telegraphic notice effective upon receipt by Seller of such notice, even though Seller is not in breach of any obligation hereunder. Upon receipt of notice of termination, Seller shall immediately discontinue performance and shall comply with Buyer's instructions concerning disposition of completed and partially completed items, work in progress and materials acquired pursuant to this PO. Upon termination, Contractor shall be compensated only for those services or goods which have been adequately rendered and delivered to the District through the effective date of such termination. Contractor shall be entitled to no further compensation. However, said payment shall not exceed the price specified herein for such items. Seller shall advise the Buyer, in writing, of Seller's claim, if any, for termination costs within ten (10) days after receipt of the notice of termination. Termination in accordance with this article shall not affect Buyer's obligation to pay for items accepted by Buyer prior to such termination.

ARTICLE 20. GOVERNING LAW; VENUE; DEFINITIONS: The definition of terms used, interpretation of this PO and rights of all parties hereunder shall be construed under and governed by the laws of the State of California. Any litigation with respect to this PO shall be brought and conducted in Sacramento County, California.

ARTICLE 21. EXCUSE; WAIVER: Any act or omission of Buyer which Seller might claim as an excuse for its own failure to perform shall be deemed waived by Seller unless it shall notify Buyer of its intention to assert such excuse within ten (10) days after the occurrence of any such act or omission. No action or failure to act by Buyer shall constitute a waiver of a right or duty afforded it under this PO, nor shall such action or failure to act constitute approval of or acquiescence in a breach, except as may be specifically agreed in writing. Seller expressly waives the effect of any statutory or common law provision which construes ambiguities in a contract against the party who drafted the contract.

ARTICLE 22. INSURANCE: If Seller or its employees or agents come onto Buyer's property in connection with this Purchase Order, Seller agrees to carry (i) Workers Compensation Insurance as required by law and Employer's Liability Insurance in the amount of \$1,000,000 per occurrence; (ii) Commercial General Liability Insurance covering personal injuries (including death) in the amount of \$1,000,000 per occurrence, \$ 2 million aggregate, and (iii) automobile liability insurance covering bodily injuries (including death) in the amount of \$1,000,000 per person, and \$1,000,000 per occurrence, property damage in the amount of \$1,000,000. Buyer shall be named as an "Additional Insured" by endorsement under the Commercial General Liability and Automobile Liability policies. The policy shall stipulate that the insurance afforded the Additional Insured shall apply as primary insurance and that any other insurance carried by Buyer will be excess only and will not contribute with this insurance. Seller shall submit written proof of such insurance to Buyer prior to entrance on Buyer's property. Seller shall supply such bonds as required by Buyer.

THIS CONCLUDES THE TERMS AND CONDITIONS DATED 7/10/2023 consisting of Article 1 through Article 22



ESBE / MBE CERTIFIED

ESTIMATE**#TT077002**

4680 W Capitol Ave
West Sacramento, CA 95691
916-920-3304

THIS IS NOT AN INVOICE
PLEASE DO NOT PAY FROM THIS
DOCUMENT

BILLING

Elk Grove Water Service

Date: 06/12/2023

Accounts Payable

9257 Elk Grove Blvd

Elk Grove CA 95624

Ordered By: Alan Aragon

Account #: ELK GROVE WATER SERVICE

JOB SITE

Elk Grove

Site Contact:

Mobile: 707.349.3301

Elk Grove CA

Job#: TT077002

PO#:

EQUIPMENT

Product	Qty.	Rate	Amount
Steel Plate: 6' x 10' x 1" (Sale)	40	\$2,700.00	108000.00
Non-Skid: Creates Skid Resistant Surface	1	\$0.00	0.00
Crane Truck, \$150 per hr w/\$250 min, Flatbed \$125 per hr w/ \$125 min, P/U Truck \$95 per hr, w/\$95 mi	1	\$0.00	0.00
Subtotal:			\$108,000.00
Delivery/Pickup:			
ELK GROVE			9450.00
Total:			\$117,450.00

NOTES

----- 06/12/2023 01:48 PM ----- Byron Young -----

** Quotes valid for 30 days after issuing date * Week minimum rental * Equipment lost or not returned to be paid at 100% at list price * No downtime credits or rain days credits are given or applied * Rental period starts on the date of delivery of equipment and ends on date of termination * Damages to any equipment other than normal wear to be paid by the contractor * Taxes may vary due to physical location * Trucking may vary due to estimated down time **

X _____
Accepted By Date Title

Company	Bid Amount	Notes
Tranch and Traffic Safety	\$ 117,450.00	
Iron Lot, LLC	No Bid	Didn't meet District requirements
California Steel Services	\$ 213,021.26	

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Ben Voelz, Associate Engineer

SUBJECT: **BACKHOE LOADER PURCHASE**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors authorize the General Manager to execute a purchase order in the amount of \$209,462.77 to Holt of California to procure a new backhoe loader.

SUMMARY

Elk Grove Water District (EGWD) staff solicited a sole-sourced bid from Holt of California, the region's only Caterpillar, Inc. (CAT) equipment dealer following the adoption of the Florin Resource Conservation District/EGWD (District) Fiscal Year (FY) 2023-2024 Operating Budget and FY 2024-2028 Capital Improvement Program (CIP). Purchasing a new backhoe loader is included in the approved FY 2023-24 CIP budget. The approved budget for the Backhoe Loader project is \$210,000.

Staff recommends that the District Board of Directors (Board) authorize the General Manager to execute a purchase order (Attachment 1) in the amount of \$209,462.77 to Holt of California to procure a new backhoe loader.

DISCUSSION

Background

On May 16, 2023, by Resolution No. 05.16.23.01, the Board adopted the FY 2024-CIP and appropriated \$3,175,000 for capital improvement projects for FY 2023-24. This fiscal year's CIP includes the purchase of a new backhoe loader for use by the Utility crew.

The District currently owns a 2006 CAT model 420E backhoe loader that is shared by both the Distribution and Utility crews. The backhoe loader is primarily dedicated to the Utility crew for water main replacement projects. When the backhoe is needed for leak repair or maintenance, the Distribution crew must borrow the backhoe from the Utility crew until the work is completed. Using the average amount of leaks over the past four (4) years, the backhoe is borrowed by the Distribution crew for an average 236.25 hours per year. This results in a substantial loss of production for the Utility crew.

BACKHOE LOADER PURCHASE

Page 2

In addition to the 2006 CAT backhoe loader, the District owns a 2009 CAT model 311D Excavator. The field staff is, therefore, very familiar with the CAT control functions and features. Procuring equipment from a different manufacturer would require that all field staff be trained to use the new equipment at an increased cost to the District. Having critical equipment with different control functions and features also presents a potential safety hazard as motor skills needed to efficiently operate the equipment are habituated over time. Switching between different equipment control layouts breaks the habituation process and introduces a greater risk of operational error. Additionally, the service the District receives from the local CAT vendor, Holt of California, is excellent.

Present Situation

With Board approval, staff plans to order the new model 430 Backhoe Loader as soon as possible to avoid any price inflation or delivery delays. In compliance with the District’s purchasing policy, staff sole-sourced a quote from one company as only one source meets the business needs of the District (Attachment 2). The price is shown below.

<u>Company Name</u>	<u>Quote Amount</u>
Holt of California	\$209,462.77

The approved CIP budget for the Backhoe Loader project is \$210,000. Staff recommends that the Board authorize the General Manager to execute a purchase order in the amount of \$209,462.77 to Holt of California to procure a new CAT model 430 backhoe loader.

ENVIRONMENTAL CONSIDERATIONS

California Environmental Quality Act (CEQA) does not apply to proposed equipment purchases. The CAT model 430 backhoe loader complies with Final Tier 4 California Air Resources Board (CARB) emission standards for Non-Road Diesel Engines.

STRATEGIC PLAN CONFORMITY

The recommendation made in this staff report conforms to Strategic Goal 3, Planning and Operational Efficiency. Strategic Goal 3 directs EGWD to practice ongoing infrastructure renewal and organizational improvement through planning and increased operational efficiency. Implementing the projects contained in the capital improvement program meets this directive.

July 18, 2023

BACKHOE LOADER PURCHASE

Page 3

FINANCIAL SUMMARY

The financial impact of the backhoe loader purchase is \$209,462.77. The funds for this project will be paid for from the approved FY 2023-24 CIP reserve fund.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ben Voelz", is written over a light blue horizontal line.

BEN VOELZ
ASSOCIATE ENGINEER

Attachments

Attachment 1

**PURCHASE ORDER
FOR
FLORIN RESOURCE CONSERVATION DISTRICT**

Purchase Order No. 24-

GL# 1720-000-20-517

Seller:		Buyer:		
Name	Holt of California	Elk Grove Water District		
Address		9829 Waterman Rd.		
City, State Zip		Elk Grove, CA 95624		
Attn:	Jake Sclater	Attn: Bruce Kamilos, General Manager		
Phone:	(916) 240-2814	Fax:	916.685.3556 Fax: 916.685.5376	
E-mail:	jsclater@hotlca.com	E-mail:	bkamilos@egwd.org	
Project Information:		Ship To:		
Backhoe loader purchase.		Elk Grove Water District		
		9715 Railroad St.		
		Elk Grove, CA 95624		
		Attn: Ben Voelz		
Please forward all invoices to accountspayable@egwd.org				
Order Date	Delivery Date	Ship Via	FOB	Payment Terms
7/5/2023	per contract terms			Net 30 days of invoice

Buyer and Seller agree as follows:

MATERIAL, EQUIPMENT AND/OR SERVICES TO BE PROVIDED: Seller shall furnish the material, equipment and/or services described below which is incorporated into and made part of this Purchase Order. In the event of any conflict between the language in this Purchase Order and the language in the Professional Services Agreement or Construction Contract, the language in the Professional Services Agreement or Construction Contract shall prevail over the language in this Purchase Order.

Description Item No.	Estimated Quantity	Unit Price	Ext. Price	Delivery Date
Backhoe loader list price	1	\$225,699.00	\$225,699.00	
Sourcewell Governmental Discount 22%			(\$49,654.00)	
Delivery, EIN Decals, Warranty, Freight, Fuel, Delivery prep			\$18,352.00	
Elk Grove Water Discount Sell Price			\$194,397.00	
Sales Tax (7.75%)			\$15,065.77	
After Tax Balance			\$209,462.77	

[Attach Additional Sheets if necessary]

Buyer:

**By: Bruce Kamilos
Title: General Manager**

Seller:

**By: Jake Sclater
Title: Territory Manager**

PURCHASE ORDER TERMS AND CONDITIONS

ARTICLE 1. DEFINITIONS: The Term "Buyer" as used in this PO means the FLORIN RESOURCE CONSERVATION DISTRICT, and the term "Seller" means the person, firm, or corporation from whom the commodity of service described in the PO it ordered. The term "Material, Equipment, and/or Services" includes materials, supplies, equipment, drawings, data and other property to be furnished and all services including design, delivery, installation, inspection, and testing specified or required to furnish any material, equipment, and/or services.

ARTICLE 2. ACCEPTANCE OF THE PO: The attached Acceptance Copy shall be signed and returned by the Seller within ten (10) calendar days after it is received by the Seller. The receipt by the Buyer of the signed Acceptance Copy or the initiation of performance under this PO by the Seller shall constitute acceptance of the PO by the Seller, including all of the terms and conditions herein. Acceptance is limited to the terms stated herein. Any additional or different terms and conditions proposed by the Seller are rejected unless expressly agreed to in writing by an authorized representative of the Buyer's Purchasing Department.

ARTICLE 3. COMPLETE AGREEMENT: This PO, including all applicable terms, conditions and specifications, shall constitute the sole and exclusive agreement between the parties. This PO supersedes all other writings and negotiations written or oral. Buyer will not be responsible for goods delivered or services rendered without a PO properly signed by the Buyer Purchasing Agent or authorized agent. When this PO covers a continuing service rendered over a stated period of time, Seller must obtain a new order upon expiration of the time period to authorize the continuance of the service for an additional period of time.

ARTICLE 4. DEFAULT: The Buyer may terminate the whole or any part of Seller's work in any one of the following circumstances: (1) If the Seller fails to make delivery or fails to perform within the time specified herein or any authorized extension thereof; or (2) If Seller delivers nonconforming goods; or (3) If Seller fails to perform in accordance with the material provisions of this PO, or so fails to make progress as to endanger performance of this PO in accordance with its terms. In the event of any such failure Buyer will provide Seller with written notice of the default and Buyer's intention to terminate for default if Seller fails to cure the default to Buyer's satisfaction within seven calendar days of Buyer's notice. If Seller fails to cure or correct the default to Buyer's satisfaction within seven days, Buyer may, without further notice to Seller, procure upon such terms and in such manner as the Buyer may deem appropriate, items similar to those terminated, and the Seller shall be liable to the Buyer for any excess costs of such similar items; however, the Seller shall continue the performance of this PO to the extent not terminated. The rights and remedies of the Buyer provided in this clause shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this PO.

ARTICLE 5. CHANGES: Buyer may direct in writing changes, including additions to or deletions from the quantities originally ordered, or in the specifications or drawings. If any such change causes a material increase or decrease in the cost of, or the time required for, performance hereunder, an equitable adjustment shall be made in the price or schedule. Any claims for adjustment which Seller believes result from any change directed by Buyer shall be asserted in writing by Seller no later than ten (10) days from the date of Seller's receipt of any such direction. Equitable adjustments for any claims or changes under this agreement, including claims arising from terminations or suspensions directed under DEFAULT above, of this agreement, will be made by written Change Order. Nothing contained herein shall excuse Seller from proceeding with the change as directed prior to negotiation of any adjustment. Whether made pursuant to this clause or by mutual agreement, changes shall not be binding upon the Buyer, except when

confirmed in writing by a member of the Buyer's Purchasing Department.

ARTICLE 6. INVOICES: Unless otherwise specified in the PO, Seller shall send Buyer a single invoice upon completion of performance. Payment shall not be made prior to receipt and acceptance of items and an invoice.

ARTICLE 7. PROVISIONS REQUIRED BY LAW DEEMED INSERTED: Each and every provision of law and clause required by law to be inserted in this contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provisions is not inserted, or is not correctly inserted then upon application of either party the contract shall forthwith be physically amended to make such insertion or correct.

ARTICLE 8. RIGHT TO AUDIT: Buyer reserves the right to access and audit the Seller's records for a period of four (4) years after payment of any invoice.

ARTICLE 9. TITLE AND RISK OF LOSS: All prices shall be F.O.B. Destination. The Seller shall be responsible for safe and adequate packing of the items, which shall conform to the carriers' requirements. The Seller shall separately number all cases and packages, showing the corresponding numbers on the invoices. An itemized packing slip bearing this PO number shall be placed in each container. No extra charge shall be made for packaging or packing materials unless authority therefor is set forth in this PO. Seller shall assume and pay for any and all loss or damage to the merchandise from any cause whatsoever until delivered to Buyer at the specified destination.

ARTICLE 10. DELIVERY: Timely performance and deliveries are essential to this PO. The Buyer reserves the right to refuse deliveries made in advance of the delivery schedule. Over shipment allowances, if authorized, will be applied to the entire order. If the Buyer agrees to accept deliveries after the date of delivery has passed, the Buyer shall have the right to direct the Seller to make shipment to the delivery point set forth in this PO by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by the Seller. Acceptance of late deliveries shall not be deemed a waiver of the Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make future deliveries in accordance with the delivery schedule.

ARTICLE 11. DELAYS: Seller will not be liable for delays in performing its obligations to the extent the delay is caused by an unforeseeable condition which is beyond Seller's reasonable control and without Seller's fault or negligence. Acts of God, such as storms or floods, as well as government priorities, acts of civil or military authorities, fires, strikes, epidemics, war or riot are examples of events which will be excusable for being beyond Seller's reasonable control, only upon fulfillment of the following conditions: (a) within seven (7) days of the commencement of any excusable delay, Seller shall provide Buyer with written notice of the cause and extent thereof as well as a request for a schedule extension for the estimated duration thereof, and (b) within seven (7) days of the cessation of the event causing delay Seller shall provide Buyer with written notice of the actual delay incurred, upon receipt of which, the date of promised delivery shall be extended for the time actually lost by reason of an excusable delay.

ARTICLE 12. INSPECTION AND APPROVAL: All items are subject to final inspection and approval after delivery to Buyer. If any items are defective in material or workmanship or otherwise not in conformity with the requirements of this PO, the Buyer shall have the right to require Seller to correct or replace them. Final acceptance or rejection shall be made by the Buyer as promptly as practicable after delivery. Final acceptance shall be conclusive except with respect to latent defects,

fraud or such gross mistakes as amount to fraud, or with respect to the Buyer's rights under the "Warranty" clause.

ARTICLE 13. WARRANTIES-GUARANTEES: The Seller warrants that the items, at time of delivery, shall conform to the Buyer's specifications, the requirements of this PO, approved sample or samples, if any, and are free from defects in design, material and workmanship. Unless otherwise specified in the PO, this warranty shall remain in effect for a one (1) year period after delivery or for such period of time as the item is normally warranted. At the Buyer's option, the Seller shall promptly either repair or replace defective items after receipt of the Buyer's written notice of a defect. Transportation charges for the return and redelivery of defective items shall be borne by the Seller. Seller also warrants that said merchandise is free and clear of all liens and encumbrances whatsoever and the Seller has good and marketable title to same, and Seller agrees to indemnify, defend and hold the Buyer, its officers, agents and employees free and harmless against any and all claimants to said merchandise.

ARTICLE 14. COMPLIANCE WITH ALL APPLICABLE LAWS: Seller's performance shall in all ways strictly conform with all applicable State, Federal and local laws, regulations, safety orders, and working conditions to which it is subject including, but not limited to, safety rules and regulations prevailing wages under the California Labor Code. Seller shall execute and deliver any and all documents as may be required to effect or evidence compliance.

ARTICLE 15. EQUAL OPPORTUNITY EMPLOYER: It is the policy of Buyer that in connection with all materials furnished or work performed under this PO, there be no discrimination against employees because of race, religion, color, sex or national origin, and therefore the Seller agrees to comply with applicable Federal and California laws including, but not limited to, the California Fair Employment Practices Act.

ARTICLE 16. PERMITS OR LICENSES: Seller and all of its employees or agents shall secure and maintain in force such licenses and permits as are required by law, and by the City, in connection with the furnishing of Material, Equipment, and/or Services herein requested.

ARTICLE 17. INDEMNITY: Seller assumes all risk in connection with performance or non-performance of this PO. Seller shall indemnify, defend, and hold harmless Buyer and its elected officials, officers and employees, from all liabilities, obligations, orders, claims, actual damages, governmental fines or penalties, and expenses of defense with respect to such claims (including attorneys' fees and costs) of any kind or nature which may be caused by or arise from furnishing the Material, Equipment, and/or Services, whether such activities or performance thereof be by Seller or by anyone directly or indirectly employed or contracted with by Seller, and whether such liabilities, obligations, orders, claims, actual damages, governmental fines or penalties, and expenses of defense with respect to such claims (including attorneys' fees and costs) shall accrue or be discovered before or after termination of this agreement.

ARTICLE 18. TAXES: Unless prohibited by law, Seller shall pay and has included in the prices of this PO any federal, state or local tax, transportation tax, or other tax which is required to be imposed upon the items ordered hereunder, or by reason of their sale or delivery.

ARTICLE 19. TERMINATION FOR CONVENIENCE: Buyer shall have the right to terminate this PO in whole or in part at any time, and from time to time, by written or telegraphic notice effective upon receipt by Seller of such notice, even though Seller is not in breach of any obligation hereunder. Upon receipt of notice of termination, Seller shall immediately discontinue performance and shall comply with Buyer's instructions concerning disposition of completed and partially completed items, work in progress and materials acquired pursuant to this PO. Upon termination, Contractor shall be compensated only for those services or goods which have been adequately rendered and delivered to the District through the effective date of such termination. Contractor shall be entitled to no further compensation. However, said payment shall not exceed the price specified herein for such items. Seller shall advise the Buyer, in writing, of Seller's claim, if any, for termination costs within ten (10) days after receipt of the notice of termination. Termination in accordance with this article shall not affect Buyer's obligation to pay for items accepted by Buyer prior to such termination.

ARTICLE 20. GOVERNING LAW; VENUE; DEFINITIONS: The definition of terms used, interpretation of this PO and rights of all parties hereunder shall be construed under and governed by the laws of the State of California. Any litigation with respect to this PO shall be brought and conducted in Sacramento County, California.

ARTICLE 21. EXCUSE; WAIVER: Any act or omission of Buyer which Seller might claim as an excuse for its own failure to perform shall be deemed waived by Seller unless it shall notify Buyer of its intention to assert such excuse within ten (10) days after the occurrence of any such act or omission. No action or failure to act by Buyer shall constitute a waiver of a right or duty afforded it under this PO, nor shall such action or failure to act constitute approval of or acquiescence in a breach, except as may be specifically agreed in writing. Seller expressly waives the effect of any statutory or common law provision which construes ambiguities in a contract against the party who drafted the contract.

ARTICLE 22. INSURANCE: If Seller or its employees or agents come onto Buyer's property in connection with this Purchase Order, Seller agrees to carry (i) Workers Compensation Insurance as required by law and Employer's Liability Insurance in the amount of \$1,000,000 per occurrence; (ii) Commercial General Liability Insurance covering personal injuries (including death) in the amount of \$1,000,000 per occurrence, \$ 2 million aggregate, and (iii) automobile liability insurance covering bodily injuries (including death) in the amount of \$1,000,000 per person, and \$1,000,000 per occurrence, property damage in the amount of \$1,000,000. Buyer shall be named as an "Additional Insured" by endorsement under the Commercial General Liability and Automobile Liability policies. The policy shall stipulate that the insurance afforded the Additional Insured shall apply as primary insurance and that any other insurance carried by Buyer will be excess only and will not contribute with this insurance. Seller shall submit written proof of such insurance to Buyer prior to entrance on Buyer's property. Seller shall supply such bonds as required by Buyer.

THIS CONCLUDES THE TERMS AND CONDITIONS DATED 7/5/2023 consisting of Article 1 through Article 22




June 16, 2023

ELK GROVE WATER SERVICE
 Account # 0192561
 9829 WATERMAN RD
 ELK GROVE, California 95624
 Attention: Alan Aragon

New Caterpillar Model: 430 Backhoe Loader with all standard equipment in addition to the additional specifications listed below:

STOCK NUMBER: **ON ORDER ARRIVING IN SEPTEMEBR** YEAR: **2023**

ADDITIONAL SPECIFICATIONS

Reference #	Description of Material and Equipment	Reference #	Description of Material and Equipment
543-3343	430 BACKHOE LOADER TIER 4 FINAL	545-8548	LOADER BUCKET PINS
543-4286	STICK, EXTENDABLE, 16 FT	551-6453	RIDE CONTROL
544-1066	PT, 4WD/2WS, POWERSHIFT	548-1233	LINES, COMBINED AUX, E-STICK
543-5181	ENGINE, 86 KW/115HP, C3.6 DITA, T4F	560-6797	PRODUCT LINK, CELLULAR, PLE643
542-7774	HYDRAULICS, MP, 6FCN/8BNK, ST	551-6940	COLD WEATHER PACKAGE, 120V (HD Battery)
544-0883	CAB, DELUXE	540-2298	STANDARD RADIO (AM/FM Radio With Bluetooth, USB Port.)
545-5047	DISPLAY, STANDARD	567-5090	AUTO-UP STABILIZERS
542-7810	AIR CONDITIONER, T4F	353-1389	GUARD, STABILIZER
491-6736	WORKLIGHTS (8) LED LAMPS	270-3204	PLATE GROUP - BOOM WEAR
611-0339	SEAT, DELUXE FABRIC	382-2499	MIRRORS, EXTERNAL, BOTH SIDES
206-1748	SEAT BELT, 3" SUSPENSION	485-5303	HYDRAULIC PIN GRABBER COUPLER
337-9696	COUNTERWEIGHT, 1015 LBS	555-2397	LINES, HYD CPLR 15FT EXT PILOT
619-6051	MICHELIN TIRES, 340 80-18/540 70-24,MX	219-3386	CAT BUCKET, 18", 4.2 FT3
9R-6007	STABILIZER PADS, FLIP-OVER	219-3381	CAT BUCKET, 24", 6.2 FT3
337-7442	BUCKET-MULTI-PURPOSE, 1.4 YD3, PO	337-7447	BUCKET-MULTI PURPOSE, 1.4YD3,PO,FLIP OVER FORKS,BOCE 

WARRANTY INFORMATION

Standard Warranty: Premier Warranty (Bumper to Bumper) 12 Months / Unlimited Hours
 Extended Warranty: Powertrain & Hydraulics Warranty 60 Months / 2,500 Hours Which Ever Occurs First
 CSA Dry Parts Kit - 24 Months/1000 Hours (Includes Two Years Vision Link Access)

List Price	\$225,699.00
Sourcewell Governmental Discount 22%	(\$49,654.00)
Delivery, EIN Decals, Extended Warranty, Freight, Fuel, Prep For Delivery, Install Auto Shift Kit and Flip Over Fork MP Bucket	\$18,352.00
Elk Grove Water Discount Sell Price	\$194,397.00
Sales Tax (7.75%)	\$15,065.77
After Tax Balance	\$209,462.77

THIS QUOTE IS BASED ON CURRENT FACTORY PRICING. PRICING AND AVAILABILITY SUBJECT TO CHANGE

Sourcewell Contract # 032119-CAT

F.O.B./TERMS: 9829 Waterman Road Elk Grove, California 95624

This quote is good for (10) days. Any machine quoted outside of HOLT of CALIFORNIA's inventory is subject to revision All quotes are subject to credit approval and prior sale. Any quoted interest rates are subject to change without notice. Quote is void unless machine is delivered, and remains, within HOLT of CALIFORNIA's Dealership territory for two years or unless the machine has at least 1000 hours if delivered outside of Holt's territory.

THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE ARE PART OF AND INCORPORATED IN THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSIDERED ENFORCEABLE UNTIL ACCEPTED BY HOLT AND EXECUTED BY ITS OFFICE. ANY INDIVIDUAL SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE/SHE IS AT LEAST 18 YEARS OLD AND HAS THE AUTHORITY TO BIND CUSTOMER TO THE TERMS OF THE AGREEMENT.

Accepted by _____ Date _____
 (Please Print)

Signature _____

Sincerely,
 Jake Sclater
 Territory Manager
 Holt of California
 jsclater@holtca.com
 Cell: 916-240-2814





Memorandum

To: Patrick Lee, Finance Manager

From: Ben Voelz, Associate Engineer

Date: July 5, 2023

Re: SOLE-SOURCE JUSTIFICATION – HOLT OF CALIFORNIA, CAT

Per the adopted Elk Grove Water District (EGWD/District) FY 2024-2028 five-year Capital Improvement Program and the adopted EGWD FY 2023-2024 Operating Budget, the District has allocated funds to purchase a new backhoe loader. The District currently owns a Caterpillar, Inc. (CAT) backhoe loader and a CAT excavator, therefore District staff is very familiar with CAT's controls, operational features, and mechanical functionality. Buying an equivalent backhoe loader from a different manufacturer would require all field staff to be trained to use the new equipment at an increased cost to the District. Having critical equipment with different control functions and features also presents a potential safety hazard as motor skills needed to efficiently operate the equipment are habituated over time. Switching between different equipment control functions breaks the habituation process and introduces a greater risk of operational error. A CAT backhoe loader is the most compatible equipment option for current District staff's operational expertise and Holt of California is the only dealer in the region that supplies CAT equipment and provides maintenance services for CAT equipment.

Holt of California is the only company in the region that supplies CAT equipment. The District's Purchase of Goods and Services from Outside Vendors Policy permits sole sourcing the procurement of goods and services when:

- 1) Only one known source exists for supplies or services as determined by documented research; or
- 2) No other reasonable alternative source exists that meets the Districts requirements; or
- 3) Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.); or
- 4) An urgent need for the goods or service will not permit a delay resulting from the competitive solicitation.

Sole sourcing the purchase from Holt of California, CAT is justified on the basis of item 3 above as CAT is the only manufacturer that meets the operational compatibility needs of District staff and Holt of California, CAT is the only company in the region that supplies CAT equipment.

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District

FROM: Bruce Kamilos, General Manager

SUBJECT: **AMENDMENT TO DISTRICT PROCUREMENT POLICIES PURCHASING THRESHOLDS**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors adopt:

1. Resolution No. 07.18.23.02, amending the Purchase of Goods and Services from Outside Vendors Policy to increase the cost threshold between “minor purchases” and “intermediate purchases” from \$3,000 to \$5,000.
2. Resolution No. 07.18.23.03, amending the Professional and Consultant Services Agreements Policy to increase the cost threshold by which professional and consultant services may be acquired from \$3,000 to \$5,000.

SUMMARY

The Florin Resource Conservation District (District) adopted the Purchase of Goods and Services from Outside Vendors Policy (Purchasing Policy) on November 14, 2018, and the Professional and Consultant Services Agreements Policy (Professional Services Policy) on November 19, 2019. Both policies contain threshold limits for costs related to purchases of goods and services and professional and consultant services. Costs for goods and services and professional and consultant services have risen since the policies were adopted. To bring the policies current with rising costs, staff would like to raise the threshold limit from \$3,000 to \$5,000 between minor and intermediate purchases of goods and services, and for the acquisition of professional and consultant services.

The proposed redline-strikeouts of the Purchase of Good and Services from Outside Vendors Policy (Attachment 1) and the Professional and Consultant Services Agreements Policy (Attachment 2) are provided for the Boards review.

DISCUSSION

Background

The District’s Purchasing Policy, adopted on November 14, 2018, specifies the procedures for making minor and intermediate purchases. Minor purchases, defined by the Purchasing

AMENDMENT TO DISTRICT PROCUREMENT POLICIES PURCHASING THRESHOLDS

Page 2

Policy, are items costing more than \$100, but less than \$3,000. Intermediate purchases are defined as items costing from \$3,000 to \$50,000. Similarly, the District’s Professional Services Policy, adopted on November 19, 2019, specifies the procedures for acquiring professional and consultant services costing \$3,000 or less, and for those costing between \$3,001 and \$50,000. When making minor purchases of goods or consultant services, staff may work directly with a vendor or consultant on pricing. A solicitation of bids or proposals is not required for minor purchases.

Present Situation

The threshold limits of \$3,000 for minor purchases of goods and services, and consultant services, were adopted in 2018-2019 when inflation was low. Since then, inflation has risen considerably along with the costs of goods and services and professional consultant services. Per the U.S. Bureau of Labor Statistics – Producer Price Indexes (Attachment 3), costs since November 2018 have risen as follows.

<u>Category</u>	<u>% Increase</u>
Building Material and Supplies	73
Diesel Fuel	151
Plastic Pipe and Fittings	134
Chemicals	26
Asphalt Cement	33

To determine cost increases for professional services in the Sacramento region, staff has reviewed consultant fee schedules attached to the Sacramento Central Groundwater Authority budgets between 2018 and 2023. Professional services fees increased by 25%.

Staff would like to increase the threshold limit between minor and intermediate purchases of goods and services from \$3,000 to \$5,000. Similarly, staff would like to increase the threshold limit for acquiring professional and consultant services from \$3,000 to \$5,000. The proposed change in threshold limits equates to a 67% increase. Staff believes that this is reasonable to cover increases in costs that have already occurred and for cost increases that may occur in the future.

ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations associated with this report.

July 18, 2023

AMENDMENT TO DISTRICT PROCUREMENT POLICIES PURCHASING THRESHOLDS

Page 3

STRATEGIC PLAN CONFORMITY

Efficiently purchasing goods and services conforms to Strategic Goal 1, Governance and Customer Engagement, of the Strategic Plan which identifies conducting public affairs in an effective, efficient, and transparent manner.

FINANCIAL SUMMARY

There is no financial impact associated with this report. This item would only change the threshold limits for minor purchases of goods or services and professional consultant services.

Respectfully submitted,



BRUCE KAMILOS
GENERAL MANAGER

Attachments

RESOLUTION NO. 07.18.23.02

A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS AMENDING THE PURCHASE OF GOODS AND SERVICES FROM OUTSIDE VENDORS POLICY TO INCREASE THE COST THRESHOLD BETWEEN “MINOR PURCHASES” AND “INTERMEDIATE PURCHASES” FROM \$3,000 TO \$5,000

WHEREAS, the Florin Resource Conservation District (District) is required by California law to adopt purchasing policies and procedures; and

WHEREAS, California Public Resources Code, Division 9 set forth the authority and process for establishing purchasing policies and procedures; and

WHEREAS, an appropriate procurement policy will assist the District by documenting the requirements and procedures for purchase of goods and services from outside vendors; and

WHEREAS, the District’s current Purchase of Goods and Services from Outside Vendors Policy was adopted by Resolution No. 11.14.18.02; and

WHEREAS, the District wishes to amend the District’s Purchase of Goods and Services from Outside Vendors Policy (Policy) to increase the cost threshold between “minor purchases” and “intermediate purchases” from \$3,000 to \$5,000.

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. The District Board of Directors (Board) hereby adopts the foregoing recitals as true and correct, and incorporates them herein by reference.

SECTION 2. The Policy shall be amended to increase the cost threshold between “minor purchases” and “intermediate purchases” from \$3,000 to \$5,000 as incorporated herein, and attached hereto as Exhibit “A.”

SECTION 3. The Board Secretary shall certify the adoption of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 18th day of July 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tom Nelson
Chair

ATTEST:

Stefani Phillips
Board Secretary

APPROVED AS TO FORM:

Andrew Ramos
General Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“PURCHASE OF GOODS AND SERVICES FROM OUTSIDE VENDORS POLICY”

[Attached behind this cover page]

FLORIN RESOURCE CONSERVATION DISTRICT

PURCHASE OF GOODS AND SERVICES FROM OUTSIDE VENDORS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for the procurement of goods and services. All purchases and contracts for goods and services required by the District shall be made in accordance with this policy.

Section 1. Goods and services shall be acquired as economically as possible to exercise positive financial control over purchases so as to provide the best overall value to the District.

Section 2. Before a contract is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the contract must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's a contract that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the contract shall be taken to the Board unsigned by either party.

Section 3. Each contract entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. Each contract entered into under this policy for an amount exceeding \$5,000 shall be accompanied by a Purchase Order (P.O.) showing the selected vendor, the goods or services to be provided, and the approval date for the award and/or contract.

Section 5. It is against District policy to split into smaller orders the purchase of goods or services for the purpose of evading the competitive bidding provisions of this policy.

Section 6. The General Manager or the Board may reject any or all bids received as part of the bidding process.

Section 7. General procedures and rules for purchasing goods or services is as follows:

- (a) *Petty Cash Purchases (Items Costing \$100 or Less):* For purchases of items costing \$100 or less, a "petty cash voucher" form shall be used to document petty cash purchases when they are made.

(b) *Minor Purchases (Items Costing More than \$100, But Less than \$5,000)*: For purchases of items costing more than \$100, but less than \$5,000, vendors may be asked to provide pricing for the District's consideration, and for the District's determination to proceed with the vendor.

(c) *Intermediate Purchases (Items Costing from \$5,000 to \$50,000)*: For purchases of items costing from \$5,000 to \$50,000, District staff shall:

- i. Solicit bidding or quotation by written or verbal request (via telephone, fax, e-mail, or mail) from at least three vendors, or justify why such quotations were not possible;
- ii. The District shall select the vendor quoting the lowest responsive, responsible quotation. If another vendor is selected, the reasons for not selecting the vendor with the lowest quote (i.e., quality) should be recorded on the purchase order or otherwise.
- iii. Award of contracts. A purchase order shall be used as the form of contract and must be approved by the General Manager. The General Manager shall review the purchase order terms and conditions, the availability of budgeted funds to cover the purchase order and compliance with proper purchasing procedures. District Legal Counsel shall review the contract if substantive exceptions have been taken to the standard terms and conditions prior to both parties executing the purchase order.
- iv. For contracts valued at more than \$5,000 but less than \$50,000, the General Manager may approve change orders or contract amendments. Change orders more than 10% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the change order and the original contract amount exceeds the General Managers signing authority of \$50,000, the change order must be approved by the Board.

(d) *Major Purchases (Items Costing more than \$50,000)*: For purchases of items costing more than \$50,000, District staff shall:

- i. Solicit bidding or quotation by written request (via fax, e-mail, or mail) from at least three vendors;
- ii. The District shall select the lowest responsive, responsible bidder. If two (2) or more bids received are for the same total, amount or unit price and quality, service and delivery being equal, the General Manager or District Board may accept the one it chooses, or accept the lowest good faith offer by negotiation with the tied bidders. All

purchases must be in conformance with the approved District budget;

- iii. Award of contract. A contract shall be used as the form of agreement and the contract must be approved by the Board. District staff shall prepare a contract detailing the selected vendor and the goods or services to be provided. The contract shall be signed by the other party. District Legal Counsel shall review the contract if the other party takes any exceptions to the standard terms and conditions of the contract. District staff shall prepare a staff report that identifies the availability of budgeted funds for the purchase, and staff shall take the contract to the Board for approval authorizing the General Manager to execute the contract. Board approval may be by either adoption of a resolution or approval of a motion;
- iv. After Board approval, District staff shall complete the execution of the contract by having the General Manager sign the contract and accompanied by a purchase order.
- v. For contracts valued more than \$50,000, the General Manager may approve change orders. All change orders that exceed 10% of the original contract must be approved by the Board.

Section 8. Sole Source Procurement:

- (a) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:
 - i. Only one known source exists for supplies or services as determined by documented research; or
 - ii. No other reasonable alternative source exists that meets the Districts requirements; or
 - iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.); or
 - iv. An urgent need for the service will not permit a delay resulting from competitive solicitation.
- (b) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for purchases up to \$50,000, or the Board for purchases costing more than \$50,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the vendor as the only known source;
- iii. A description of the marketplace to include distributors, dealers, resellers, etc.;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 9. Emergency Purchases

- (a) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;
- (b) An emergency purchase must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency purchase is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.
- (c) For emergency purchase exceeding \$50,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval.

FLORIN RESOURCE CONSERVATION DISTRICT

ADOPTED BY FRCD RESOLUTION NO. 11.14.18.02

PURCHASE OF GOODS AND SERVICES FROM OUTSIDE VENDORS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for the procurement of goods and services. All purchases and contracts for goods and services required by the District shall be made in accordance with this policy.

Section 1. Goods and services shall be acquired as economically as possible to exercise positive financial control over purchases so as to provide the best overall value to the District.

Section 2. Before a contract is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the contract must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's a contract that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the contract shall be taken to the Board unsigned by either party.

Section 3. Each contract entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. Each contract entered into under this policy for an amount exceeding \$53,000 shall be accompanied by a Purchase Order (P.O.) showing the selected vendor, the goods or services to be provided, and the approval date for the award and/or contract.

Section 5. It is against District policy to split into smaller orders the purchase of goods or services for the purpose of evading the competitive bidding provisions of this policy.

Section 6. The General Manager or the Board may reject any or all bids received as part of the bidding process.

Section 7. General procedures and rules for purchasing goods or services is as follows:

- (a) *Petty Cash Purchases (Items Costing \$100 or Less):* For purchases of items costing \$100 or less, a "petty cash voucher" form shall be used to document petty cash purchases when they are made.

(b) *Minor Purchases (Items Costing More than \$100, But Less than ~~\$3,000~~5,000)*: For purchases of items costing more than \$100, but less than ~~\$3,000~~5,000, vendors may be asked to provide pricing for the District's consideration, and for the District's determination to proceed with the vendor.

(c) *Intermediate Purchases (Items Costing from ~~\$3,000~~5,000 to \$50,000)*: For purchases of items costing from ~~\$3,000~~5,000 to \$50,000, District staff shall:

- i. Solicit bidding or quotation by written or verbal request (via telephone, fax, e-mail, or mail) from at least three vendors, or justify why such quotations were not possible;
- ii. The District shall select the vendor quoting the lowest responsive, responsible quotation. If another vendor is selected, the reasons for not selecting the vendor with the lowest quote (i.e., quality) should be recorded on the purchase order or otherwise.
- iii. Award of contracts. A purchase order shall be used as the form of contract and must be approved by the General Manager. The General Manager shall review the purchase order terms and conditions, the availability of budgeted funds to cover the purchase order and compliance with proper purchasing procedures. District Legal Counsel shall review the contract if substantive exceptions have been taken to the standard terms and conditions prior to both parties executing the purchase order.
- iv. For contracts valued at more than ~~\$3,000~~5,000 but less than \$50,000, the General Manager may approve change orders or contract amendments. Change orders more than 10% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the change order and the original contract amount exceeds the General Managers signing authority of \$50,000, the change order must be approved by the Board.

(d) *Major Purchases (Items Costing more than \$50,000)*: For purchases of items costing more than \$50,000, District staff shall:

- i. Solicit bidding or quotation by written request (via fax, e-mail, or mail) from at least three vendors;
- ii. The District shall select the lowest responsive, responsible bidder. If two (2) or more bids received are for the same total, amount or unit price and quality, service and delivery being equal, the General Manager or District Board may accept the one it chooses, or accept the lowest good faith offer by negotiation with the tied bidders. All

purchases must be in conformance with the approved District budget;

- iii. Award of contract. A contract shall be used as the form of agreement and the contract must be approved by the Board. District staff shall prepare a contract detailing the selected vendor and the goods or services to be provided. The contract shall be signed by the other party. District Legal Counsel shall review the contract if the other party takes any exceptions to the standard terms and conditions of the contract. District staff shall prepare a staff report that identifies the availability of budgeted funds for the purchase, and staff shall take the contract to the Board for approval authorizing the General Manager to execute the contract. Board approval may be by either adoption of a resolution or approval of a motion;
- iv. After Board approval, District staff shall complete the execution of the contract by having the General Manager sign the contract and accompanied by a purchase order.
- v. For contracts valued more than \$50,000, the General Manager may approve change orders. All change orders that exceed 10% of the original contract must be approved by the Board.

Section 8. Sole Source Procurement:

(a) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:

- i. Only one known source exists for supplies or services as determined by documented research; or
- ii. No other reasonable alternative source exists that meets the Districts requirements; or
- iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.);
or
- ~~iii.~~iv. An urgent need for the service will not permit a delay resulting from competitive solicitation.

(b) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for purchases up to \$50,000, or the Board for purchases costing more than \$50,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the vendor as the only known source;
- iii. A description of the marketplace to include distributors, dealers, resellers, etc.;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 9. Emergency Purchases

- (a) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;
- (b) An emergency purchase must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency purchase is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.
- (c) For emergency purchase exceeding \$50,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval.

RESOLUTION NO. 07.18.23.03

A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS AMENDING THE PROFESSIONAL AND CONSULTANT SERVICES AGREEMENTS POLICY TO INCREASE THE COST THRESHOLD BY WHICH PROFESSIONAL AND CONSULTANT SERVICES MAY BE ACQUIRED FROM \$3,000 TO \$5,000

WHEREAS, the Florin Resource Conservation District (District) is required by California law to adopt purchasing policies and procedures; and

WHEREAS, California Public Resources Code, Division 9 sets forth the authority and process for establishing purchasing policies and procedures; and

WHEREAS, an appropriate procurement policy will assist the District by documenting the requirements and procedures for professional and consultant services agreements;

WHEREAS, the District's current Professional and Consultant Services Agreements Policy was adopted by Resolution No. 11.19.19.03; and

WHEREAS, the District wishes to amend the Professional and Consultant Services Agreements Policy (Policy) to increase the cost threshold by which professional and consultant services may be acquired from \$3,000 to \$5,000.

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. The District Board of Directors (Board) hereby adopts the foregoing recitals as true and correct, and incorporates them herein by reference.

SECTION 2. The Policy shall be amended to increase the cost threshold by which professional and consultant services may be acquired from \$3,000 to \$5,000 as incorporated herein, and attached hereto as Exhibit "A."

SECTION 3. The Board Secretary shall certify the adoption of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the Florin Resource Conservation District Board of Directors on this 18th day of July 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Tom Nelson
Chair

ATTEST:

Stefani Phillips
Board Secretary

APPROVED AS TO FORM:

Andrew Ramos
General Counsel

EXHIBIT "A"

FLORIN RESOURCE CONSERVATION DISTRICT

**PROFESSIONAL AND CONSULTANT
SERVICES AGREEMENTS POLICY**

[Attached behind this cover page]

FLORIN RESOURCE CONSERVATION DISTRICT

PROFESSIONAL AND CONSULTANT SERVICES AGREEMENTS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for professional and consultant services agreements. All professional and consultant services required by the District shall be made in accordance with this policy.

Section 1. Professional and consultant services shall be procured as economically as possible commensurate with quality needed as to provide the best overall value to the District.

Section 2. Before an agreement is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the agreement must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's an agreement that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the agreement shall be taken to the Board unsigned by either party.

Section 3. Each agreement entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. It is against District policy to split into smaller orders the procurement of professional or consulting services for the purpose of evading the provisions of this policy. The District will not utilize interim contracts and will only utilize standard contracts to procure professional and consulting services according to the requirements as set forth below.

Section 5. The General Manager or the Board may reject any or all proposals received as part of the proposal process.

Section 6. General procedures and rules for procuring professional and consulting services are as follows:

Selection for professional and consultant services, defined as the services of a private architect, landscape architect, engineer, doctor, information technology specialist, environmental scientist, investment advisor, financial, land surveying, or construction project management firm, shall be based on best qualified and most responsible proposer, as determined by the District. Selected proposer may not necessarily be the lowest priced proposal.

(a) *Professional and Consultant Services (Costing \$5,000 or less)*: For professional and consultant services costing \$5,000 or less, professionals will be asked to submit a letter proposal. The District shall select those professionals that demonstrate the highest competence and professional qualifications necessary for the satisfactory performance of the services required. Professionals who are selected will be required to submit a letter of engagement, signed by the District and the Professional firm, setting forth the price and scope of services to be provided.

(b) *Professional and Consultant Services (Costing \$5,001 to \$50,000)*: For professional and consultant services costing \$5,001 to \$50,000, District staff shall:

- i. Informally solicit proposals by written or verbal request (via telephone, fax, e-mail, or mail) from at least three firms, or justify why such quotations were not possible or justified;
- ii. District management staff shall review all responsive proposals and evaluate the proposals in order to determine which proposer best meets the District's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services. The successful proposer may not necessarily have the lowest priced proposal. If another firm is selected, the reasons for not selecting the firm with the lowest priced proposal (i.e., quality) shall be recorded. The District reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process;
- iii. Award of agreement. A professional services agreement shall be used as the form of contract and must be approved by the General Manager. Prior to the General Manager approving the professional services agreement, District Legal Counsel shall review the agreement and provide approval as to the agreement's form. After legal counsel review, the General Manager shall review the professional services agreement, the availability of budgeted funds to cover the agreement, proper account coding and compliance with proper contracting procedures;
- iv. A multiple year agreement with a total cost that is projected to cost \$5,001 to \$50,000 over the term of the agreement shall be governed by the same procedures above.
- v. For contracts valued at more than \$5,000 but less than \$50,000, the General Manager may approve change orders. Change orders more than 10% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the change order and the original contract amount exceeds the General Managers

signing authority of \$50,000, the change order must be approved by the Board.

(c) *Professional and Consultant Services (Costing More than \$50,000)*: For professional and consultant services costing more than \$50,000, District staff shall:

- i. Formally solicit proposals by using a Request for Proposal. The request for proposal shall include a general description of the services to be procured, the specific qualification requirements, a copy of the District's professional services agreement, and the time and place for submission of proposals. To the extent feasible, a notice inviting proposals shall be distributed to at least three (3) firms, unless the General Manager determines there is sufficient sole-source justification;
- ii. Utilizing a Professional Services Review Panel comprised of members of District management staff and board members, all responsive proposals shall be reviewed and evaluated in order to determine which proposer best meets the District's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services. The successful proposer may not necessarily have the lowest priced proposal. If another firm is selected, the reasons for not selecting the firm with the lowest priced proposal (i.e., quality) shall be recorded. The criteria by which the District shall evaluate proposals shall be set forth in the request for proposals. The District reserves the right to reject any and all proposals, or waive any irregularities in any proposal or the proposal process;
- iii. Award of agreement. A professional services agreement shall be used as the form of contract. Prior to the General Manager approving the professional services agreement, District Legal Counsel shall review the agreement and provide approval as to the agreement's form. After legal counsel review, the General Manager shall review the professional services agreement, the availability of budgeted funds to cover the agreement, proper account coding and compliance with proper contracting procedures. District staff shall prepare a staff report that identifies the availability of budgeted funds for the professional services, and staff shall take the professional services agreement to the Board for approval authorizing the General Manager to execute the professional services agreement. Board approval may be by either adoption of a resolution or approval of a motion; and

- iv. A multiple year agreement with a total cost that is projected to cost more than \$50,000 over the term of the agreement shall be governed by the same procedures above.
- v. For contracts valued more than \$50,000, the General Manager may approve change orders. All change orders that exceed 10% of the original contract must be approved by the Board.

Section 7. Sole Source Procurement:

(a) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:

- i. Only one known source exists for services as determined by documented research; or
- ii. No other reasonable alternative source exists that meets the Districts requirements; or
- iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.); or
- iv. An urgent need for the service will not permit a delay resulting from competitive solicitation.

(b) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for procurements up to \$50,000, or the Board for purchases costing more than \$50,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the professional or consultant as the only known source;
- iii. A description of the marketplace to include professional service providers;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 8. Emergency Procurements

(a) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;

(b) An emergency procurement must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency purchase is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.

(c) For emergency procurement exceeding \$50,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval

FLORIN RESOURCE CONSERVATION DISTRICT

ADOPTED BY FRCO RESOLUTION NO. 11.19.19.03

PROFESSIONAL AND CONSULTANT SERVICES AGREEMENTS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for professional and consultant services agreements. All professional and consultant services required by the District shall be made in accordance with this policy.

Section 1. Professional and consultant services shall be procured as economically as possible commensurate with quality needed as to provide the best overall value to the District.

Section 2. Before an agreement is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the agreement must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's an agreement that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the agreement shall be taken to the Board unsigned by either party.

Section 3. Each agreement entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. It is against District policy to split into smaller orders the procurement of professional or consulting services for the purpose of evading the provisions of this policy. The District will not utilize interim contracts and will only utilize standard contracts to procure professional and consulting services according to the requirements as set forth below.

Section 5. The General Manager or the Board may reject any or all proposals received as part of the proposal process.

Section 6. General procedures and rules for procuring professional and consulting services are as follows:

Selection for professional and consultant services, defined as the services of a private architect, landscape architect, engineer, doctor, information technology specialist, environmental scientist, investment advisor, financial, land surveying, or construction project management firm, shall be based on best qualified and most responsible proposer, as determined by the District. Selected proposer may not necessarily be the lowest priced proposal.

(a) *Professional and Consultant Services (Costing ~~\$3,000~~5,000 or less)*: For professional and consultant services costing ~~\$3,000~~5,000 or less, professionals will be asked to submit a letter proposal. The District shall select those professionals that demonstrate the highest competence and professional qualifications necessary for the satisfactory performance of the services required. Professionals who are selected will be required to submit a letter of engagement, signed by the District and the Professional firm, setting forth the price and scope of services to be provided.

(b) *Professional and Consultant Services (Costing ~~\$3,001~~5,001 to \$50,000)*: For professional and consultant services costing ~~\$3,001~~5,001 to \$50,000, District staff shall:

- i. Informally solicit proposals by written or verbal request (via telephone, fax, e-mail, or mail) from at least three firms, or justify why such quotations were not possible or justified;
- ii. District management staff shall review all responsive proposals and evaluate the proposals in order to determine which proposer best meets the District's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services. The successful proposer may not necessarily have the lowest priced proposal. If another firm is selected, the reasons for not selecting the firm with the lowest priced proposal (i.e., quality) shall be recorded. The District reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process;
- iii. Award of agreement. A professional services agreement shall be used as the form of contract and must be approved by the General Manager. Prior to the General Manager approving the professional services agreement, District Legal Counsel shall review the agreement and provide approval as to the agreement's form. After legal counsel review, the General Manager shall review the professional services agreement, the availability of budgeted funds to cover the agreement, proper account coding and compliance with proper contracting procedures;
- iv. A multiple year agreement with a total cost that is projected to cost ~~\$3,001~~5,001 to \$50,000 over the term of the agreement shall be governed by the same procedures above.
- v. For contracts valued at more than ~~\$3,000~~5,000 but less than \$50,000, the General Manager may approve change orders. Change orders more than 10% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the

change order and the original contract amount exceeds the General Managers signing authority of \$50,000, the change order must be approved by the Board.

(c) *Professional and Consultant Services (Costing More than \$50,000)*: For professional and consultant services costing more than \$50,000, District staff shall:

- i. Formally solicit proposals by using a Request for Proposal. The request for proposal shall include a general description of the services to be procured, the specific qualification requirements, a copy of the District's professional services agreement, and the time and place for submission of proposals. To the extent feasible, a notice inviting proposals shall be distributed to at least three (3) firms, unless the General Manager determines there is sufficient sole-source justification;
- ii. Utilizing a Professional Services Review Panel comprised of members of District management staff and board members, all responsive proposals shall be reviewed and evaluated in order to determine which proposer best meets the District's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services. The successful proposer may not necessarily have the lowest priced proposal. If another firm is selected, the reasons for not selecting the firm with the lowest priced proposal (i.e., quality) shall be recorded. The criteria by which the District shall evaluate proposals shall be set forth in the request for proposals. The District reserves the right to reject any and all proposals, or waive any irregularities in any proposal or the proposal process;
- iii. Award of agreement. A professional services agreement shall be used as the form of contract. Prior to the General Manager approving the professional services agreement, District Legal Counsel shall review the agreement and provide approval as to the agreement's form. After legal counsel review, the General Manager shall review the professional services agreement, the availability of budgeted funds to cover the agreement, proper account coding and compliance with proper contracting procedures. District staff shall prepare a staff report that identifies the availability of budgeted funds for the professional services, and staff shall take the professional services agreement to the Board for approval authorizing the General Manager to execute the professional services agreement. Board approval may be by either adoption of a resolution or approval of a motion; and

- iv. A multiple year agreement with a total cost that is projected to cost more than \$50,000 over the term of the agreement shall be governed by the same procedures above.
- v. For contracts valued more than \$50,000, the General Manager may approve change orders. All change orders that exceed 10% of the original contract must be approved by the Board.

Section 7. Sole Source Procurement:

(a) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:

- i. Only one known source exists for services as determined by documented research; or
- ii. No other reasonable alternative source exists that meets the Districts requirements; or
- iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.); or
- iv. An urgent need for the service will not permit a delay resulting from competitive solicitation.

(b) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for procurements up to \$50,000, or the Board for purchases costing more than \$50,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the professional or consultant as the only known source;
- iii. A description of the marketplace to include professional service providers;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 8. Emergency Procurements

(a) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;

(b) An emergency procurement must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency purchase is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.

(c) For emergency procurement exceeding \$50,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval

Attachment 3

Producer Price Indexes

Source: U.S. Bureau of Labor Statistics (refer to attached graphs)

Bldg. Material and Supplies

Nov-18	149.80
Mar-22	259.21
% Increase	73.04

Fuel/Diesel

Nov-18	331.40
Jun-22	833.32
% Increase	151.45

Plastic Pipe & Fittings

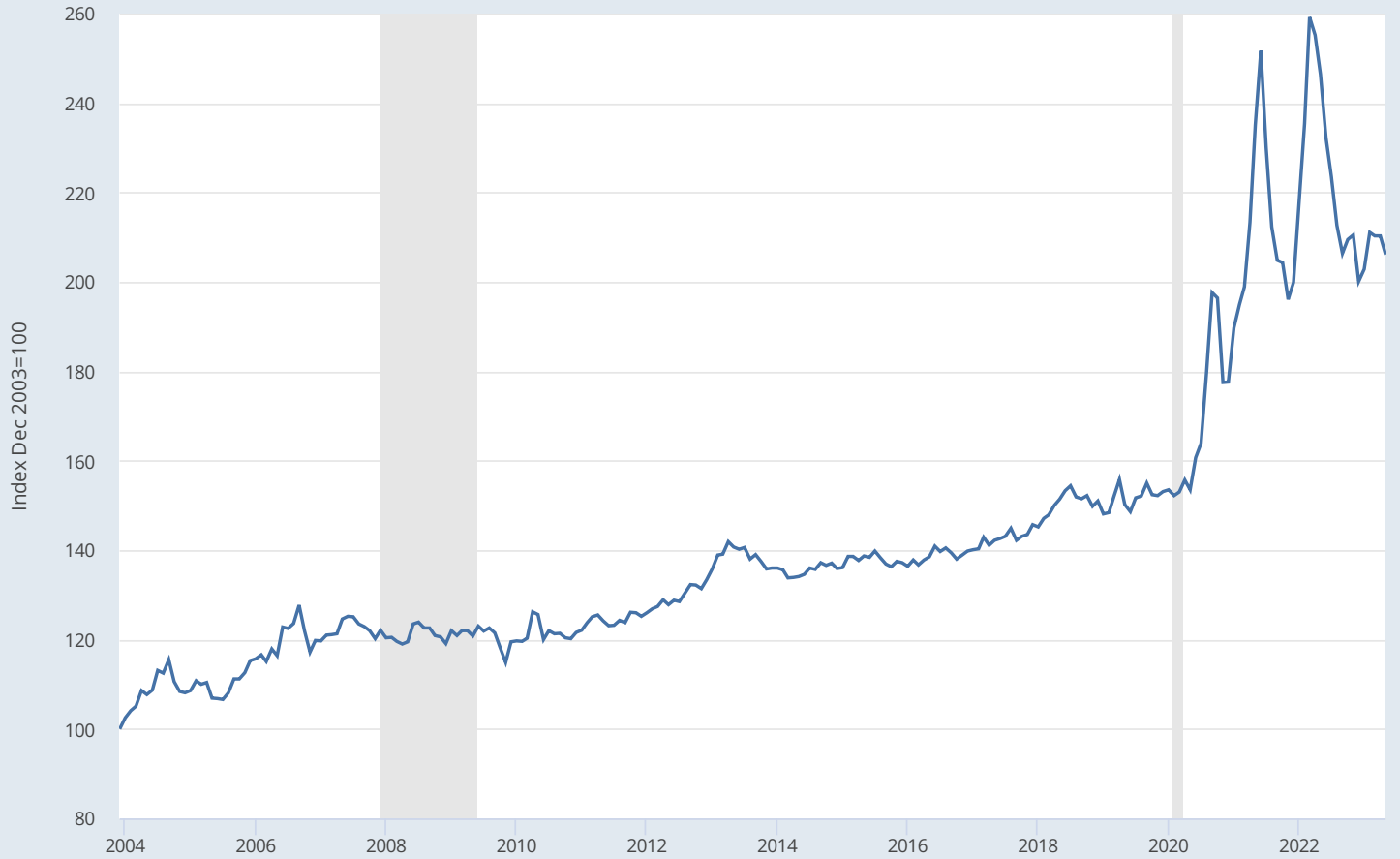
Nov-18	188.80
Aug-22	442.47
% Increase	134.36

Chemicals

Nov-18	293.10
Jun-22	368.16
% Increase	25.61

Asphalt Cement

Nov-18	269.20
Feb-23	359.25
% Increase	33.45



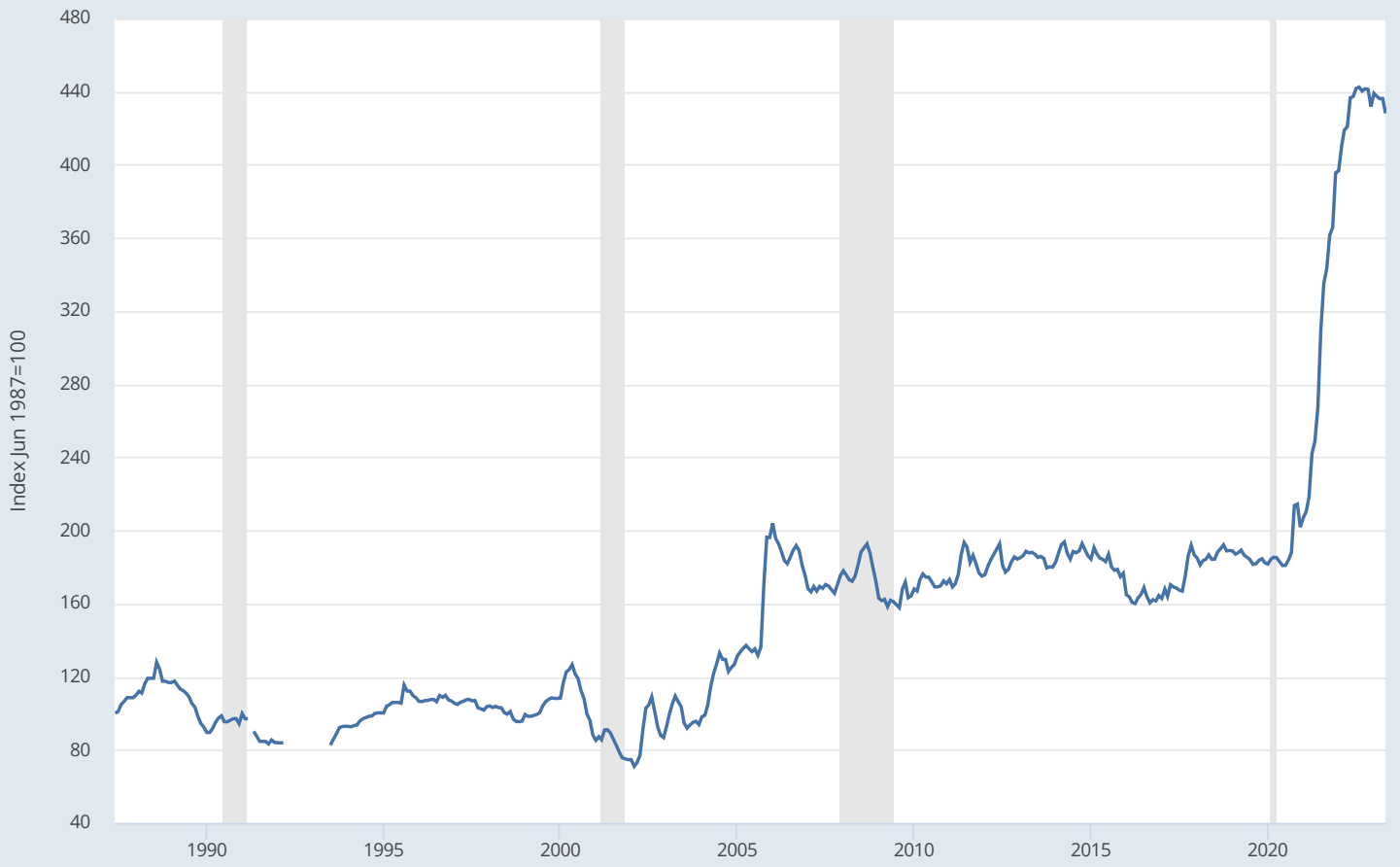
Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org



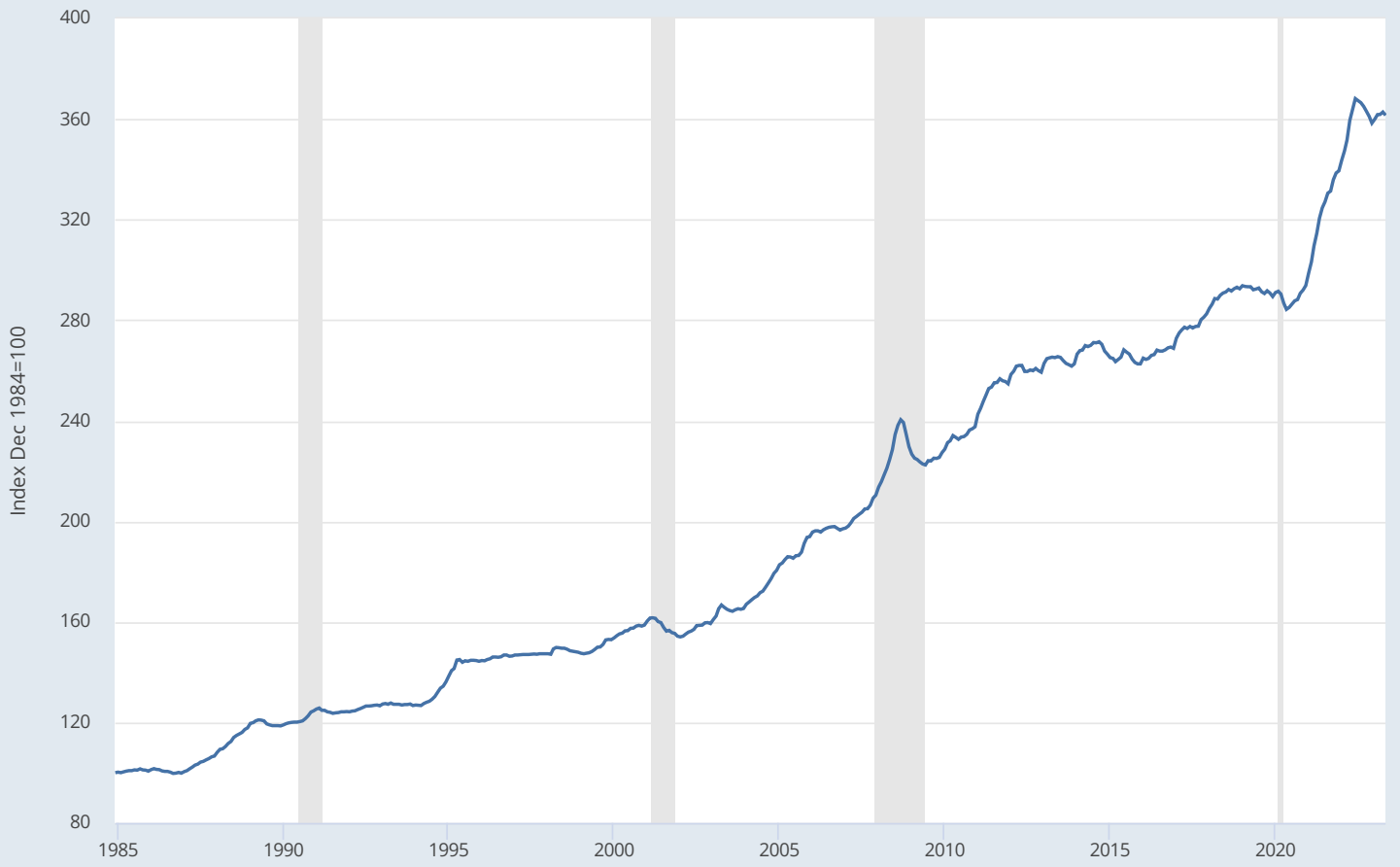
Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org



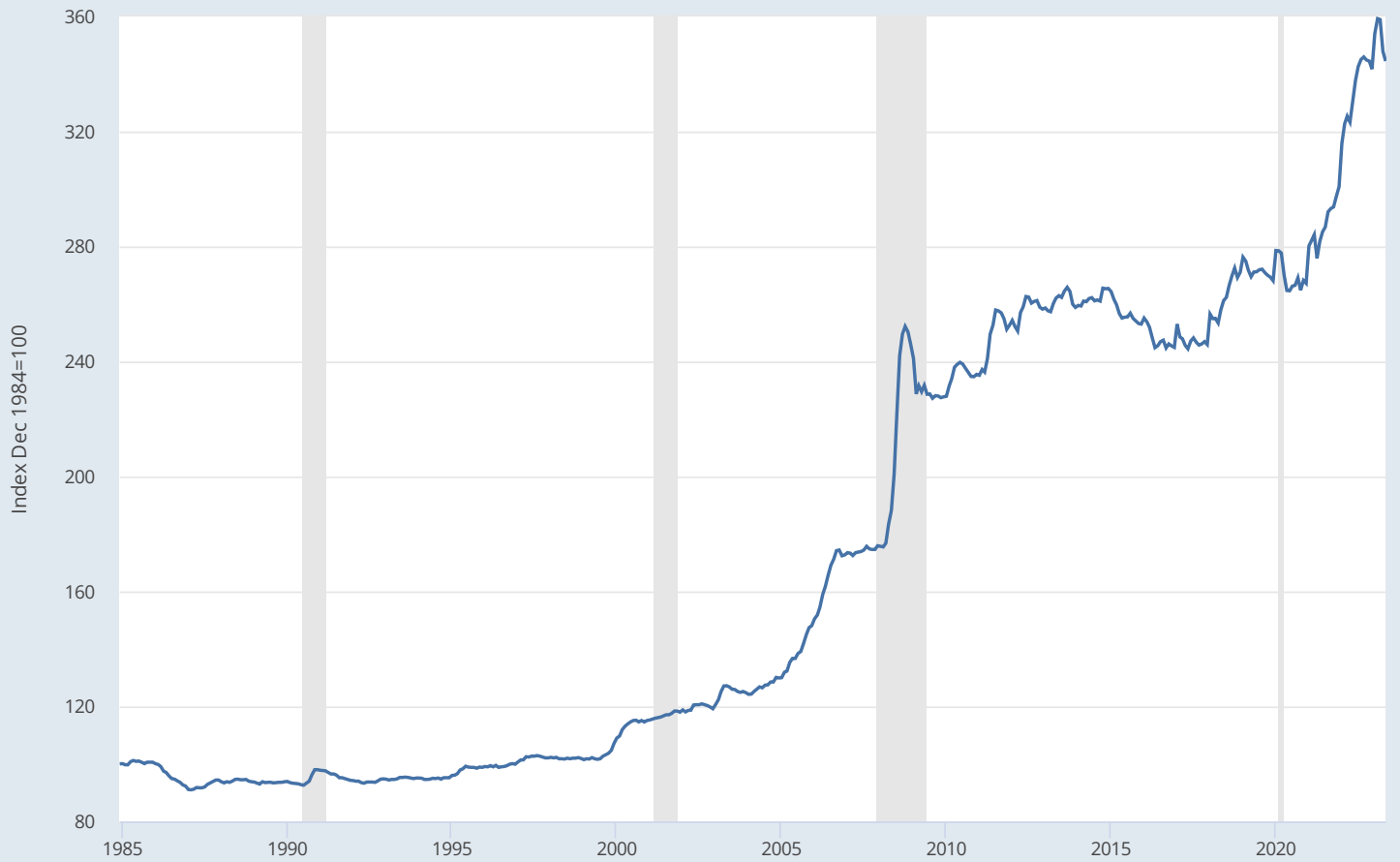
Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org



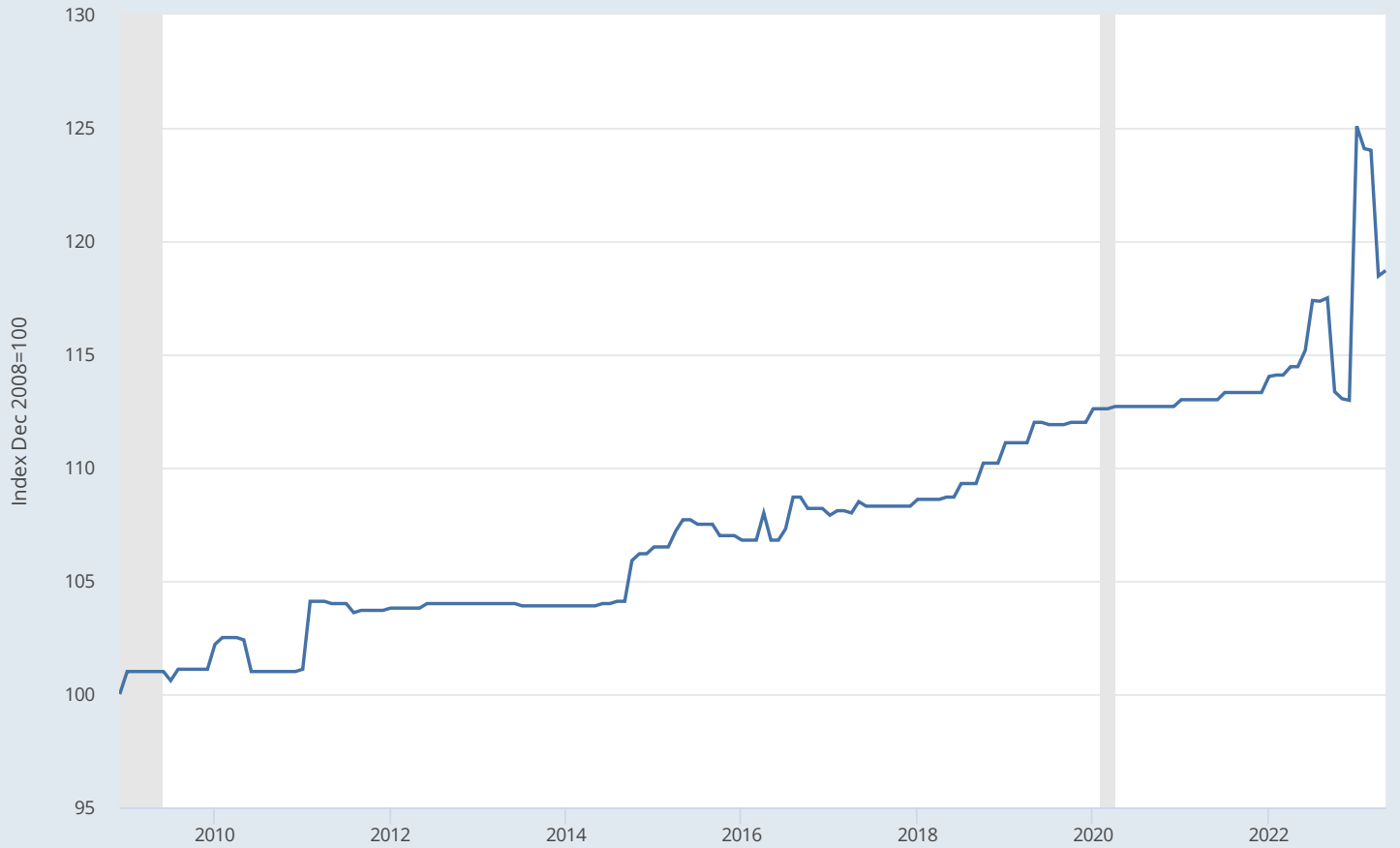
Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org



Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org



Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District
FROM: Travis Franklin, Program Manager
SUBJECT: **LEGISLATIVE MATTERS AND POTENTIAL DIRECTION TO STAFF**

RECOMMENDATION

This item is presented as information although the Florin Resource Conservation District Board of Directors may provide an action to authorize staff to respond to a legislative item.

SUMMARY

There are several bills that have been introduced in the 2023 legislative session that could potentially impact the Florin Resource Conservation District/Elk Grove Water District (District) if passed. These bills are highlighted below.

DISCUSSION

Background

The Florin Resource Conservation District (FRCD) Board of Directors (Board) is periodically updated on legislative and regulatory issues.

Present Situation

The following bills have been introduced in the 2023 legislative session that could potentially impact the District if passed in their current form.

AB 30 (Ward D) Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.

This bill will rename an existing Atmospheric Rivers research program from the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program to the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency (AR/FIRO) Program, and make various changes to the program, as specified. This bill changes the research directive of the Department of Water Resources (DWR): The department shall research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris

LEGISLATIVE MATTERS AND POTENTIAL DIRECTION TO STAFF

Page 2

flows, and environmental conditions. Regional Water Authority (RWA) and California Special Districts Association (CSDA) have taken a support position.

AB 249 (Holden D) Water: school sites: lead testing: conservation.

This bill would require a community water system that serves a school site to test for lead in the potable water system outlets of the school site before January 1, 2027, except for potable water system outlets in buildings that were either constructed after January 1, 2010, or modernized after January 1, 2010, and all faucets and other end point devices used for providing potable water were replaced as part of the modernization. The bill would require the community water system to report its findings to the applicable school or local educational agency and to the State Water Resources Control Board (SWRCB). The bill would require the local educational agency or school, if the lead level exceeds a specified level at a school site, to notify the parents and guardians of the pupils who attend the school site or preschool, take immediate steps to make inoperable and shut down from use all fountains and faucets where the excess lead levels may exist, and work with the school sites under its jurisdiction to ensure that a potable source of drinking water is provided for pupils, as specified. The bill would require a community water system to prepare a sampling plan for each school site where lead sampling is required under these provisions. The bill would require the state board to make the results of school site lead sampling publicly available by posting the results on its internet website. CSDA has taken an oppose position. The Association of California Water Agencies (ACWA) and RWA have taken an oppose unless amended position.

AB 460 (Bauer-Kahan D) State Water Resources Control Board: interim relief.

This bill authorizes the SWRCB to issue an interim relief order in appropriate circumstances, after notice and an opportunity for a hearing, in adjudicative proceedings to apply or enforce any of the following:

- (1) Section 2 of Article X of the California Constitution.
- (2) The public trust doctrine.
- (3) Water quality objectives or principals and guidelines adopted under subdivision (b) of Section 13142, Section 13149, Section 13170, or 13241.
- (4) The requirements set forth in permits, licenses, certificates, and registrations issued under Part 2 (commencing with Section 1200), including actions that invoke the board's reserved jurisdiction or continuing authority.
- (5) Section 5937 of the Fish and Game Code.

ACWA has taken an oppose position. RWA has taken an oppose unless amended position.

LEGISLATIVE MATTERS AND POTENTIAL DIRECTION TO STAFF

Page 3

AB 560 (Bennett D) Sustainable Groundwater Management Act: groundwater adjudication.

This bill would require the court to refer a proposed judgment in specified adjudication proceedings to the SWRCB for an advisory determination as to whether the proposed judgment will substantially impair the ability of a groundwater sustainability agency, the SWRCB, or the DWR to comply with the act and to achieve sustainable groundwater management. RWA has taken an oppose position.

AB 557 (Hart D) Open meetings: local agencies: teleconferences.

This bill would extend the teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health indefinitely. The bill would also extend the period for a legislative body to make the above-described findings related to a continuing state of emergency and social distancing to not later than 45 days after the first teleconferenced meeting, and every 45 days thereafter, in order to continue to meet under the abbreviated teleconferencing procedures. CSDA is the sponsor of this bill.

AB 676 (Bennett D) Water: general state policy.

Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation. This bill would instead declare that the use of water for health and safety purposes is the highest use of water. RWA has taken an oppose position.

AB 755 (Papan D) Water: public entity: cost-of-service analysis

This bill requires a public entity, when conducting a cost-of-service analysis, to (1) identify and make publicly available on the entity's website the incremental costs incurred by major water users in the single-family residential class and (2) identify the incremental costs that would be avoided if major water users met a specified efficiency goal. ACWA and RWA have taken an oppose position.

AB 779 (Wilson D) Groundwater: adjudication.

This bill would require the court to invite a representative from the department or the SWRCB to provide technical assistance or expert testimony on the amount of water in the basin subject to adjudication, equitable and sustainable pumping allocations for the basin, and sustainable groundwater management best practices and recommendations.

LEGISLATIVE MATTERS AND POTENTIAL DIRECTION TO STAFF

Page 4

The bill would require the court to take into account the needs of small farmers and disadvantaged communities, as those terms are defined, when entering a judgment. RWA has taken an oppose position.

AB 1337 (Wicks D) State Water Resources Control Board: water shortage enforcement.

This bill would authorize the SWRCB to adopt regulations for various water conservation purposes, including, but not limited to, to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, and to implement these regulations through orders curtailing the diversion or use of water under any claim of right. ACWA has taken an oppose position. RWA has taken an oppose position.

AB 1563 (Bennett D) Groundwater sustainability agency: groundwater extraction permit: verification.

Existing law authorizes a groundwater sustainability agency to request of the county, and requires a county to consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the agency before permit approval. This bill would instead require a county to forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval.

AB 1567 (Garcia D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2023.

This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2023, which, if approved by the voters, would authorize the issuance of \$15.1 billion of bonds pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs. The bill would provide for the submission of these provisions to the voters at the November 5, 2024, statewide general election. ACWA has a support if amended position on the bill.

LEGISLATIVE MATTERS AND POTENTIAL DIRECTION TO STAFF

Page 5

AB 1572 (Friedman D) Potable water: nonfunctional turf.

This bill would prohibit the use of potable water, as defined, for the irrigation of nonfunctional turf located on commercial, industrial, municipal, institutional, and multifamily residential properties, as specified. ACWA has taken an oppose unless amended position on this bill with amendments centered on addressing the requirements on local agencies for enforcement, reporting, and protection of tree health. RWA has taken an oppose unless amended position.

SB 48 (Becker D) Water and Energy Savings Act.

Current law requires each utility to maintain records of the energy usage data of all buildings to which they provide service for at least the most recent 12 complete calendar months, and to deliver or otherwise provide that aggregated energy usage data for each covered building, as defined, to the owner, as specified. This bill would expand those requirements, beginning January 1, 2025, to include each utility that provides water service and its water usage data. RWA has taken an oppose unless amended position.

SB 231 (Hurtado D) Drought modeling.

Current law requires DWR to include a discussion of various strategies in the California Water Plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued to meet the future needs of the state. This bill would state the intent of the Legislature to enact subsequent legislation to require DWR to modify its predictive models as necessary to account for California's persistent drought.

SB 366 (Caballero D) The California Water Plan: long-term supply targets.

This bill would make legislative findings and declarations and state the intent of the Legislature to enact future legislation that modernizes the California Water Plan, including the establishment of long-term water supply targets.

SB 389 (Allen D) State Water Resources Control Board: determination of water right.

This bill would authorize the SWRCB to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right, or other basis of right. This bill would make a water right holder prove by the preponderance of evidence the basis of their right in a state board proceeding to

LEGISLATIVE MATTERS AND POTENTIAL DIRECTION TO STAFF

Page 6

determine a diversion and basis of right. RWA has taken an oppose unless amended position.

SB 659 (Ashby D) Groundwater recharge: minimum requirement.

This bill would establish a statewide goal for the ability to do 10 million acre-feet of groundwater recharge a wet year by 2035. This bill would task DWR in consultation with the Water Board to develop a plan to achieve the goal. This is an RWA co-sponsored bill.

Staff will continue to monitor these bills along with any other bills which may affect District operations.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

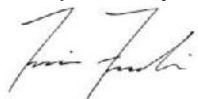
STRATEGIC PLAN CONFORMITY

Tracking active legislation complies with the District's Water Industry Leadership goals of the 2020-2025 Strategic Plan.

FINANCIAL SUMMARY

There is no direct financial impact associated with this report.

Respectfully submitted,



TRAVIS FRANKLIN
PROGRAM MANAGER

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District
FROM: Bruce Kamilos, General Manager
SUBJECT: **GENERAL MANAGER'S REPORT**

RECOMMENDATION

This item is presented to the Florin Resource Conservation District Board of Directors for:

1. Information, discussion, and in some instances, to provide direction to staff; and
2. To Consider nominating John Woodling to the Association of California Water Agencies Groundwater Committee.

SUMMARY

The General Manager's Report is a standing item on the regular board meeting agenda. The report is intended to inform the Florin Resource Conservation District (FRCD) Board of Directors (Board) of notable, miscellaneous items the General Manager would like to share with the Board. The report also provides an opportunity for the Board to discuss the items, and in some instances provide direction to staff.

DISCUSSION

Background

Each month, the General Manager provides a report to the Board of any notable, miscellaneous items.

Present Situation

- **Hexavalent Chromium MCL** – The State Water Resources Control Board (State Water Board) will be conducting a public hearing on August 2, 2023 at 1:00 pm regarding the proposed hexavalent chromium maximum contaminant level (MCL) regulations – Notice of Proposed Rulemaking (Attachment 1). The State Water Board proposes to set a hexavalent chromium MCL of 10 parts per billion (ppb). The Elk Grove Water District (District) sampled the raw water of all of its active wells for hexavalent chromium in 2023. All of the deep wells (Wells 1D, 4D, 11D and 14D) had results of non-detect for hexavalent chromium. Hexavalent chromium results for the shallow wells were as follows: Well 8 (5.5 ppb), Well 9 (5.9 ppb), and Well 13 (2.3 ppb). All the District's wells are under the proposed hexavalent chromium MCL.

GENERAL MANAGER'S REPORT

Page 2

- ACWA Groundwater Committee Nomination – Nominate John Woodling to the Association of California Water Agencies (ACWA) Groundwater Committee (Attachment 2).

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to the FRCD/EGWD 2020-2025 Strategic Plan. Due to the varied subject matters presented in the General Manager's Report, the report over time will likely touch on every strategic goal contained in the plan.

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully submitted,



BRUCE KAMILOS
GENERAL MANAGER

Attachments



State Water Resources Control Board

NOTICE OF PROPOSED RULEMAKING

**TITLE 22. Social Security
DIVISION 4. Environmental Health
CHAPTER 15 – Domestic Water Quality and Monitoring Regulations**

**SUBJECT: HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL
(SWRCB-DDW-21-003)**

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will conduct a public hearing during which time any interested person or such person's duly authorized representative may present statements, arguments, or contentions (all of which are hereinafter referred to as comments) relevant to the action described in this notice.

NOTICE OF PUBLIC HEARING FOR A PROPOSED HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL (MCL) REGULATIONS

[Gov. Code, §11346.5(a)(1)]

State Water Board staff will conduct an Administrative Procedure Act (APA) public hearing regarding the subject proposed regulations at the time and place noted below. At the hearing, any person may present comments orally or in writing relevant to the proposed action described in this notice. The public hearing will begin with a staff presentation summarizing the proposed regulations, followed by an opportunity for public comment. During the comment period, the public will be allowed three minutes to provide oral comments, unless additional time is approved.

DATE: 2 August 2023
TIME: 1:00 P.M.
PLACE: **Coastal Hearing Room
CalEPA Building
1001 I Street, Sacramento
And via Video and Teleconference (for public commenters)**

The hearing will be recorded and will be streamed live at video.calepa.ca.gov. Use this link to watch the webcast UNLESS you intend to comment. For those who wish to make oral comments, additional information about participating remotely is available at bit.ly/dw_regs.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

While a quorum of the State Water Board may be present, this hearing is for the public to provide comments in accordance with the APA. The Board will not take formal action. Final regulations are expected to be adopted by the Board later this year, after consideration of all written and oral comments. Additional information regarding State Water Board meetings, hearings, and workshops is available on the Board's internet web page at waterboards.ca.gov/board_info/calendar/.

Language Services and Accessibility

Presentation slides will be translated into Spanish, and live Spanish interpretation will be provided. To request oral interpretation in another language or sign language services, please contact us at (916) 322-4265 or languageservices@waterboards.ca.gov by **1 July 2023**. We highly encourage contacting us as far in advance as possible about language needs.

Telecommunications device for deaf (TDD) users may contact the California Relay Service at 711, (800) 735-2929 or voice line at (800) 735-2922.

To request other accommodations, call (916) 341-5261 on or before **19 July 2023**.

AUTHORITY AND REFERENCE

[Gov. Code, §11346.5(a)(2); CCR Title 1, Div 1, Ch. 1, §14]

The State Water Board proposes to adopt this regulation under the authority granted by Health and Safety Code (HSC) sections 116270, 116271, 116275, 116350, 116365, 116365.5, 116375, and 116385. The proposed regulation would implement, interpret, or make specific HSC sections 116275, 116365, 116365.5, 116370, 116375, 116385, 116390, 116450, and 116470.

INFORMATIVE DIGEST

[Gov. Code, §11346.5(a)(3)]

Existing Laws and Regulations and Effect of Proposed Action

[Gov. Code, §11346.5(a)(3)(A)]

Existing Laws and Regulations

Existing laws related to the proposed action include the following:

- HSC section 116270(f) declares California's intent to improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996 and to establish a program that is more protective of public health than the minimum federal requirements.
- HSC section 116365 requires that the State Water Board establish primary maximum contaminant levels (MCL) as close to the contaminant's public health goal (PHG) as is technologically and economically feasible at the time of adoption, while placing primary emphasis on protection of public health.
 - PHGs are established by the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment (OEHHA). In July 2011,

OEHHA established a hexavalent chromium PHG of 0.02 micrograms per liter ($\mu\text{g/L}$).

- HSC section 116365.5 specifically requires establishment of a hexavalent chromium MCL that complies with the HSC section 116365 criteria by 1 January 2004.
- HSC section 116370 requires the State Water Board to adopt a finding of best available technologies (BAT) for each contaminant at the time the standard is adopted, taking into consideration the costs and benefits of BAT proven effective under full-scale field application.
- HSC section 116375, subdivision (a), requires the State Water Board to adopt regulations for the monitoring of contaminants, including the type of contaminant, frequency and method of sampling and testing, and the reporting of results.
- HSC section 116375, subdivision (f), requires the State Water Board to adopt regulations including requirements for notifying the public of the quality of water delivered to consumers.
- HSC section 116385 requires any person operating a public water system to obtain and provide at that person's expense an analysis of the water to the State Water Board, in the form, covering those matters, and at intervals prescribed by the State Water Board. HSC section 116385 further requires that the analysis be performed by a laboratory duly certified by the State Water Board.
- HSC section 116390 requires that laboratories performing tests required pursuant to the California Safe Drinking Water Act be accredited for that testing by the California Environmental Laboratory Accreditation Program (ELAP).
- HSC section 116470 requires each PWS to prepare and deliver annual Consumer Confidence Reports to their customers containing information on each detected regulated contaminant, including the level of contaminant found in the drinking water, the corresponding public health goal and primary drinking water standard, any violations of the primary drinking water standard, and a statement of health concerns that resulted in regulation of that contaminant.
- HSC section 116555 requires that any person who owns a PWS shall ensure that the system complies with primary drinking water standards.

Existing regulations related to the proposed regulation include the following:

- 22 California Code of Regulation (CCR), section 64415, with limited exceptions, requires that analyses be performed by laboratories accredited to perform such analyses by ELAP, and unless directed otherwise by the State Water Board, that

analyses be made in accordance with methods prescribed at 40 Code of Federal Regulations sections 141.23 through 141.41, 141.66, 141.89, and 141.852.

- 22 CCR section 64432 requires certain surface water sources for transient-noncommunity water systems (TNCWS) and all active sources for community water systems (CWS) and nontransient-noncommunity water systems (NTNCWS) to be sampled and to have the samples analyzed for inorganic chemicals to determine compliance with drinking water standards, including MCLs.
- 22 CCR section 64432.8 requires each water supplier utilizing treatment to comply with one or more inorganic chemical MCL(s) to collect monthly samples of the treated water at a site prior to the distribution system and analyze for the chemical(s) for which treatment is being provided and, if an MCL is exceeded, to report the result within 48 hours of result receipt, resample to confirm the initial result within 48 hours of results receipt, and report the result of the confirmation sample result to the State Water Board within 24 hours of confirmation result receipt.
- 22 CCR section 64469 requires PWS to report the results of required analyses by the tenth day of the following month.
- 22 CCR section 64431 requires PWS to comply with a primary total chromium MCL of 50 µg/L.
- 40 CFR 141.62(b) requires CWS and NTNCWS to comply with a primary total chromium MCL of 100 µg/L.
- 22 CCR section 64432 establishes detection limits for purposes of reporting (DLRs) for each regulated chemical and requires PWS to monitor for those chemicals.
- 22 CCR section 64465 requires PWS to notify the State Water Board and the public when drinking water supplied to the public is noncompliant with a primary MCL and take appropriate action.
- 22 CCR section 64481 requires PWS to prepare annual Consumer Confidence Reports, which include language to inform the public for each chemical that has been detected in the water.

Effect of Proposed Rulemaking

The net effects of the proposed regulations would be as follows:

- PWS would be required to comply with a hexavalent chromium MCL of 10 µg/L according to a size-based compliance schedule;
- PWS exceeding the MCL before the applicable compliance date would be required to submit a compliance plan;

- CWS, NTNCWS, and wholesalers would be required to monitor for hexavalent chromium, and report sampling results consistent with existing requirements for monitoring and reporting of inorganic chemicals;
- TNCWS that use surface water and serve an average daily population greater than 1,000 or are determined subject to potential hexavalent chromium contamination based on a sanitary survey would be required to monitor for hexavalent chromium and report sampling results;
- PWS would be required to comply with a hexavalent chromium DLR of 0.1 µg/L;
- PWS would be required to use one of two specified hexavalent chromium analytical methods for required monitoring;
- PWS that violate the hexavalent chromium MCL would be required to use specific public notification health effects language;
- CWS and NTNCWS that detect hexavalent chromium would be required to use specific language in their Consumer Confidence Reports that identifies the major origins of hexavalent chromium in drinking water; and
- BAT would be identified for hexavalent chromium removal.

Comparable Federal Statute and Regulations

[Gov. Code, §11346.5(a)(3)(B), §11346.9(c)]

There are no federal regulations or statutes that address the specific subject addressed by the proposed regulations. Under the federal Safe Drinking Water Act and its implementing regulations, there is no drinking water standard specifically for hexavalent chromium. Hexavalent chromium is, however, currently indirectly regulated under California's 50 µg/L and U.S. EPA's 100 µg/L MCL for total chromium, of which hexavalent chromium is a component (40 CFR 141.62). Adoption of this regulation is not mandated by federal law or regulations.

Policy Statement Overview

[Gov. Code, §11346.5(a)(3)(C)]

Problem Statement

The State Water Board establishes drinking water standards to ensure that drinking water provided by PWS is at all times safe, pure, wholesome, and potable. All suppliers of domestic water to the public are subject to regulations adopted by the U.S. EPA under the Safe Drinking Water Act of 1974, as amended (42 U.S. C. §300f et seq.). California PWS are also subject to regulations adopted by the State Water Board under the California Safe Drinking Water Act (Health & Saf. Code, div. 104, pt. 12, ch. 4, §116270 et seq.). HSC section 116270(f) declares California's intent to improve upon the minimum requirements of the federal Safe Drinking Water Act Amendments of 1996 and to establish a program that is more protective of public health than the minimum federal requirements.

HSC 116365 requires the State Water Board to adopt primary drinking water standards for contaminants, specifying that each standard must be set at a level as close as technologically and economically feasible to the corresponding PHG, placing primary emphasis on the protection of public health. HSC 116365.5 specifically requires the establishment of a hexavalent chromium MCL. In 2011, OEHHA published the hexavalent chromium PHG at 0.02 micrograms per liter ($\mu\text{g/L}$) (OEHHA, 2011). In May 2017, the Superior Court of Sacramento County issued a judgment invalidating a previously-established hexavalent chromium MCL and ordered the State Water Board to adopt a new MCL consistent with HSC 116365 (*California Manufacturers and Technology Association, et al. v. State Water Resources Control Board*, Super. Ct., Sacramento County, Case No. 34-2015-80001850.).

The State Water Board proposes to establish a primary drinking water standard for hexavalent chromium in the form of a MCL of 10 $\mu\text{g/L}$ or 0.010 milligrams per liter (mg/L), an associated initial DLR of 0.1 $\mu\text{g/L}$. The State Water Board has determined that the proposed regulations are necessary to carry out the purposes of California's Safe Drinking Water Act. The proposed rulemaking is intended to satisfy the statutory mandates set forth in HSC sections 116365 and 116365.5, as well as the court order.

Broad Objectives

The broad objectives of this proposed regulatory action are to:

- Adopt a hexavalent chromium MCL to protect public health consistent with statutory requirements; and
- Adopt a DLR, BAT, public notification language, compliance schedule, analytical methods, and Consumer Confidence Report language to support the hexavalent chromium MCL.

Specific Benefits

The anticipated benefits to public health and safety of California residents from the proposed regulatory action are:

- Reduction of risk of adverse health effects associated with hexavalent chromium in drinking water by establishing a hexavalent chromium MCL, which translates to a reduction in associated cancer and noncancer cases;
- Provide PWS and State Water Board staff with hexavalent chromium treatment guidance through the identification of BATs;
- Provide consistency in analytical performance by establishing minimum levels of hexavalent chromium that must be reported; and
- Establish consistent quality of information between PWS and customers through specification of health effects language for public notification and major origins and compliance status language for Consumer Confidence Reports.

Additional anticipated benefits include:

- Enhanced public awareness of water quality served by requiring hexavalent chromium monitoring and public notification when a hexavalent chromium MCL violation occurs;
- Enhanced public awareness of water quality by requiring hexavalent chromium monitoring and reporting of detected hexavalent chromium levels in drinking water in annual Consumer Confidence Reports;
- Ability to evaluate performance of hexavalent chromium removal treatment technologies to concentrations at least as low as 0.1 µg/L to support feasibility analyses for future hexavalent chromium MCL review(s) and potential revision;
- Ability to determine hexavalent chromium occurrence in drinking water sources to concentrations at least as low as 0.1 µg/L to support evaluation of source occurrence, health effects, and cost impact analyses for future hexavalent chromium MCL review(s) and potential revision; and
- Ability for small PWS to benefit from improvements in treatment realized by larger PWS through the compliance schedule.

Evaluation of Inconsistency or Incompatibility with Existing State Regulations

[Gov. Code, §11346.5(a)(3)(D)]

The State Water Board reviewed its existing general regulations and regulations specific to hexavalent chromium for drinking water to evaluate whether the proposed regulations are inconsistent or incompatible with existing state regulations. The State Water Board determined that no other state regulation addressed the same subject matter and that this proposal, if adopted, would not be inconsistent or incompatible with existing state regulations.

OTHER STATUTORY REQUIREMENTS

[Gov. Code, §11346.5(a)(4)]

California Environmental Quality Act

[Public Resources Code, Div. 13]

The California Environmental Quality Act (CEQA) requires public agencies to consider and mitigate potentially significant environmental impacts from discretionary project approvals. Section 21159 of the Public Resources Code requires certain agencies, including the State Water Board, to perform at the time of adoption of a rule or regulation requiring a performance standard or treatment requirement, an environmental analysis of the reasonably foreseeable methods of compliance with the rule or regulation. To comply with CEQA, the State Water Board prepared a draft programmatic environmental impact report (EIR) analyzing the environmental impacts of the proposed regulation of hexavalent chromium in drinking water. More information about the draft EIR, including the Notice of Availability specifying the public review and comment period, is available on the State Water Board's website.

External Scientific Peer Review

[Health and Safety Code, §57004(b)]

HSC section 57004(b) requires that the scientific portions of any regulation proposed by the California Environmental Protection Agency (Cal/EPA), or any board, department, or office within Cal/EPA, be submitted to an external scientific peer review entity for evaluation. “Scientific basis” or “scientific portion” is defined as “*those foundations of a rule that are premised upon, or derived from empirical data or other scientific findings, conclusions, or assumptions establishing a regulatory level, standard, or other requirement for the protection of public health or the environment.*”

The State Water Board identified its preliminary determinations of BAT and limits of technological feasibility of treatment of hexavalent chromium in drinking water as having underlying scientific bases and requested external scientific peer review of those determinations. The peer reviewer comments and the State Water Board’s response to those comments can be found on the State Water Board’s website at:

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html.

Cal/EPA Major Regulations

[Health and Safety Code, §57005]

HSC section 57005 requires each Cal/EPA board, department, and office, before adopting any major regulation, to evaluate alternatives to the proposed regulation that would lessen adverse economic impact on California businesses and to consider whether there is a less costly alternative or combination of alternatives which would be equally as effective in achieving increments of environmental protection in a manner that ensures full compliance with statutory mandates within the same amount of time as the proposed regulations. For the purposes of HSC 57005, a “major regulation” means any regulation that would have an economic impact on California business enterprises in an amount exceeding ten million dollars. To satisfy this requirement, 20 alternative MCLs were evaluated; none was found to be equally as effective in achieving increments of environmental protection in a manner that ensures full compliance with the statutory mandates. The alternatives analysis can be found in the Initial Statement of Reasons, Attachment 2.

Health and Safety Code Requirements for Primary Drinking Water Standards

[Health and Safety Code, §116365, §116365.5, §116370]

HSC section 116365 requires that primary drinking water standards be set at a level that is as close as feasible to the corresponding public health goal, placing primary emphasis on the protection of public health. The standard must also be technologically and economically feasible. HSC section 116365.5 mandates that a primary drinking water standard be established for hexavalent chromium. HSC section 116370 requires that, when a primary drinking water standard is being adopted, a finding of BAT be adopted at the same time.

Safe, Clean, Affordable Water

[California Water Code, §106.3]

California Water Code section 106.3 states that it is the policy of the state that every human has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes, and requires the State Water Board to consider this policy when revising, adopting, or establishing regulations. In preparing the proposed regulations, the State Water Board determined the proposed regulations are consistent with this statewide policy.

Pre-Notice Meeting with Affected Parties

[Gov. Code, §11346.45]

Government Code section 11346.45(a) requires that prior to publication of the notice of proposed action, the agency proposing the regulation must involve parties who would be subject to the proposed regulations in public discussions, when the proposed regulations involve complex proposals or a large number of proposals that cannot be easily reviewed during the comment period. The regulations proposed here are neither complex nor involve large numbers of proposals that could not be easily reviewed during the comment period. Nonetheless, the State Water Board did provide PWS and water consumers opportunities to be involved in public discussions about the proposed regulations. Specifically, there have been five pre-regulation workshops held for the hexavalent chromium MCL, including a 27 April 2020 economic feasibility workshop, 8 and 9 December 2020 preliminary cost estimates workshops, and 5 and 7 April 2022 administrative draft workshops, as well as a 29 November 2021 CEQA scoping meeting. Comments, suggestions, and alternatives were solicited at each workshop and meeting, and during associated written comment periods. In addition, staff of the State Water Board's Division of Drinking Water frequently provide regulatory updates to PWS and industry groups, including the status of the proposed hexavalent chromium MCL regulation development.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

[Gov. Code, §11346.5(a)(5)]

None.

The proposed regulations would not impose a mandate on local agencies or school districts that requires state reimbursement. The proposed regulations will not be a requirement unique to local government and will apply equally to public and private water systems.

FISCAL IMPACT (COSTS AND SAVINGS)

(see Initial Statement of Reasons, Attachment 2, for methodology and calculations)

[Gov. Code, §11346.5(a)(6)]

Estimated Cost and Savings to State Agencies

The initial impact of the proposed regulation on the State Water Board would be an impact on staffing resources of \$739,577, which could potentially be accommodated through redistribution of existing staff at the district office level. However, additional personnel may be needed for effective implementation and enforcement of the adopted MCL, including for tasks such as evaluating submitted compliance plans.

Compliance costs for the one state-owned PWS expected to exceed the proposed MCL have been estimated at \$95,419 per year (capital costs have been annualized). In addition, this system will also incur a one-time cost of \$7,619 to prepare compliance and operations plans.

The proposed regulation is expected to have an impact on the state's sales tax revenue, which are estimated to be \$24.1 million in 2025, \$13.2 million in 2026, \$4.5 million in 2027, and \$1.4 million in each subsequent year.

The State Water Board estimates that there will be no change to Safe Drinking Water Account fees and caps. The fees, caps, and annual adjustments are specified in statute under HSC sections 116565, 116577, 116585, and 116590.

Reimbursable Costs to Local Agencies or School Districts

(in accordance with Gov. Code sections 17500 through 17630)

[Gov. Code, 11346.5(a)(5)]

None.

Any costs incurred by local agencies or school districts as a result of this regulation are not reimbursable by the State pursuant to Article XIII B, section 6 of the California Constitution. Local agencies and school districts currently incur costs in their operation of PWS. The costs imposed by the proposed regulations are not the result of a "new program or higher level of service" within the meaning of Article XIII B, section 6 of the California Constitution because the proposed regulations apply generally to all individuals and entities that operate PWS in California and do not impose unique requirements on local governments (*County of Los Angeles v. State of California et al*, 43 Cal App 3d 46 (1987)). In addition, PWS can pass on the cost of regulation implementation through increasing service charges, fees, and assessments. Therefore, no state reimbursement of these costs is required. Local regulatory agencies also may currently incur additional costs for their responsibility to enforce state regulations related to small PWS (fewer than 200 service connections) that they regulate. However, local agencies are authorized to assess fees to pay reasonable expenses incurred in enforcing statutes and regulations related to small PWS (HSC §101325). Therefore, no reimbursement of any incidental costs to local agencies in enforcing this regulation would be required (Gov. Code, §17556(d)).

Other Non-discretionary Cost or Savings Imposed on Local Agencies

None.

Estimated Cost or Savings in Federal Funding of State Programs

None.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS, INCLUDING ABILITY TO COMPETE

[Gov. Code, §11346.5(a)(7)]

The State Water Board has determined that there may be a significant, statewide adverse economic impact directly affecting businesses.

Types of Businesses Affected

[Gov. Code, §11346.5(a)(7)(A)]

These businesses may be privately owned PWS or other businesses served by affected PWS, but no data is available about the number or types of businesses served by PWS or how they are charged for water.

However, water service is provided locally and consumers generally don't have a choice of their water service supplier. PWS are generally not in competition with other systems; they are utilities that can pass costs onto their consumers. Most NTNCWS and TNCWS are wineries, packing plants, farms, restaurants, etc., with a primary business other than supplying potable water. These businesses and others facing higher water charges from their PWS may be able to pass any increased costs on to their customers, depending on their market environment.

Non-California water providers are unlikely to increase sales in California because water originating from outside of California is also subject to the requirements in the proposed regulation. For example, water imported from the Colorado River may need to be treated to comply with all MCLs before it can be served as drinking water. However, bottled water is not regulated as drinking water and only needs to comply with federal MCLs, including the 100 µg/L MCL for total chromium.

Projected Reporting, Recordkeeping, and Other Compliance Requirements

[Gov. Code, §11346.5(a)(7)(B)]

The projected reporting, recordkeeping, and other compliance requirements resulting from the proposed regulation consist of the following:

Monitoring and Reporting

- Consistent with existing regulations, PWS would be required to use specific health effects language when providing public notification of MCL violation(s);
- Monitoring by CWS, NTNC, and wholesalers of their drinking water sources for hexavalent chromium;

- Consistent with existing regulations, CWS and NTNCWS would be required to use specific language in the Consumer Confidence Report to describe the major origins of hexavalent chromium when hexavalent chromium is detected in drinking water; and
- Submitting a compliance plan if a system exceeds the MCL before the applicable compliance date.

Recordkeeping

- Consistent with existing regulations, PWS would be required to retain records of hexavalent chromium chemical analyses for at least the most recent ten years.
- Consistent with existing regulations, PWS would be required to retain copies of any public notices required in response to hexavalent chromium MCL exceedance for at least the most recent five years.

Other Compliance Requirements

- PWS would need to comply with the hexavalent chromium MCL of 10 µg/L for drinking water. Actions to comply with the MCL may include blending, the installation of treatment, drilling a new well, consolidation with another PWS, or not using a specific well at all.
- PWS would need to operate or contract with an ELAP accredited laboratory for analysis of hexavalent chromium capable of reliably quantifying to the proposed DLR using one of the methods specified.

Invitation to Submit Alternative Proposals

[Gov. Code, §11346.5(a)(7)(C)]

The State Water Board has made an initial determination that the adoption of this regulation may have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. The State Water Board has considered proposed alternatives that would lessen any adverse economic impact on business and invites you to submit proposals. Submissions may include the following considerations:

- (i) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to businesses.
- (ii) Consolidation or simplification of compliance and reporting requirements for businesses.
- (iii) The use of performance standards rather than prescriptive standards.
- (iv) Exemption or partial exemption from the regulatory requirements for businesses.

DETERMINATION OF EFFECT ON SMALL BUSINESSES

[1 CCR 4]

The proposed regulation directly impacts PWS. CWS and wholesalers are water companies (utilities) providing drinking water to the public and, pursuant to Government

Code section 11342.610, are exempt from the definition of a small business in the APA. However, some NTNCWS and TNCWS (such as wineries, restaurants, and agricultural/industrial businesses) may also be considered small businesses if they are independently owned and operated, not dominant in their field of operation, and are not in an exempted category (Gov. Code section 11342.610). While some NTNCWS and TNCWS may be small businesses, the State Water Board does not currently have the data to evaluate which systems meet the criteria. Therefore, the impacts for a typical small business were estimated as the average impacts on privately owned NTNCWS and TNCWS systems.

The State Water Board also recognizes that some small businesses will be served by PWS affected by this regulation and may experience increased water costs as a result. These increased costs are indirect impacts, and are expected to be similar to those experienced by households. Depending on their market environment, these businesses may be able to pass on the increased costs to their customers.

RESULTS OF ECONOMIC IMPACT ASSESSMENT: MAJOR REGULATION -- STATEMENT OF RESULTS OF THE STANDARDIZED REGULATORY IMPACT ANALYSIS (SRIA)

[Gov. Code, §11346.5(a)(10); §11346.3(b)(1); §11346.3(c)]

The standardized regulatory impact analysis (SRIA) is also referred to as a standardized regulatory impact assessment in Department of Finance regulations at 1 CCR sections 2000 through 2004.

SRIA Results

[Gov. Code, §11346.3(c)(1)]

The State Water Board determined that the economic impact of the proposed regulations would likely exceed \$50 million in a 12-month period and is therefore a major regulation as defined by California Code of Regulations, Title 1, Division 3, Chapter 1, §2000(g). The State Water Board prepared a SRIA as required by Government Code 11346.3(c).

The proposed hexavalent chromium MCL of 10 µg/L would have the following impacts on California based on the macroeconomic analysis in the SRIA: an increase in gross output of \$81 million, an increase in aggregate earnings of \$2 million, and \$53 million in value added, but a decrease of approximately 401 jobs (all compared to the baseline of not implementing a hexavalent chromium MCL). Potential MCLs at 1, 8, and 12 µg/L were evaluated as alternatives to the current proposal. While some alternatives were slightly more cost-effective than the proposed MCL of 10 µg/L, they did not provide as many health benefits. Because HSC 116365 requires that the MCL be set as close to the PHG as is technologically and economically feasible, placing primary emphasis on the protection of public health, alternatives with similar cost-effectiveness but fewer health benefits must be rejected. An additional cost-effectiveness analysis that compared the proposed MCL to 20 alternatives also showed that 10 µg/L is the lowest the MCL can be set while avoiding large decreases in cost-effectiveness.

While many benefits of this regulation are difficult to quantify, improved public health is the primary benefit, which may be experienced as a reduction in the number of cancer cases (up to 12.8 per year) and noncancer cases (not quantifiable). Although the number of noncancer cases (liver toxicity, which can occur at hexavalent chromium concentrations above 2 µg/L) cannot be quantified, the 5.5 million people who will see hexavalent chromium concentrations reduced by an average of 32.4% are likely to see related health benefits. Additional benefits are the increased public confidence in the safety of the state's drinking water (which may also have monetary benefits for families that choose to no longer purchase bottled water or home treatment systems) and public assurance that exposure to hexavalent chromium in drinking water is at the lowest level technologically and economically feasible.

The conclusions of the SRIA were:

- (A) Creation or Elimination of Jobs [Gov. Code §11346.3(c)(1)(A)]
Decrease of 401 jobs per year.
- (B) Creation or Elimination of Business [Gov. Code §11346.3(c)(1)(B)]
Insignificant, estimated as 0.
- (C) Competitive Advantages or Disadvantages [Gov. Code §11346.3(c)(1)(C)]
None.
- (D) Increase or Decrease of Investment [Gov. Code §11346.3(c)(1)(D)]
Increased investment of \$94 million per year.
- (E) Incentives for Innovation [Gov. Code §11346.3(c)(1)(E)]
The proposed MCL will lead to systems installing treatment technologies capable of removing hexavalent chromium from their water. Systems' search for effective technologies will drive innovation.
- (F) Benefits of the Proposed Regulations [Gov. Code §11346.3(c)(1)(F)]
Primary benefits are improved public health.

Department of Finance SRIA Comments and State Water Board Responses
[Gov. Code, 11346.3(f)]

The SRIA was submitted to the Department of Finance (DOF) on 13 December 2022. DOF provided comments to the State Water Board on 12 January 2023. DOF generally concurred with the State Water Board's methodology in the SRIA, except for four comments. The four comments, and the State Water Board's response to those comments, are as follows:

Comment 1: First, the SRIA must disclose estimates of all fiscal impacts to state and local governments, including any potential revenue impacts such as any increased sales tax from the purchase and installation of testing and treatment equipment and materials they purchase in California – for example, the capital costs of \$95 million in 2028 could increase sales tax revenue by around \$7.8 million (assuming an average tax rate of 8.2 percent).

Response: *Calculations for local and state sales tax revenue have been added to the updated SRIA (ISOR Attachment 2) in sections D.1.b and D.2.c, respectively. These items have also been added to the Form STD-399 Fiscal Impact Statement section.*

Comment 2: Second, the SRIA must discuss the disparate impacts of the regulations on identifiable groups of individuals and businesses. While the SRIA separates into quartiles the numbers of individuals whose monthly water bills would increase by different amounts, the SRIA does not provide information on the population in each quartile, nor does it discuss the potential of the projected increases to be particularly burdensome for individuals for whom water expenses are a higher proportion of total household expenses.

Response: *To the extent that data allowed, section C.5 of the SRIA was updated to include information on identifiable groups of individuals in each of the quartiles, including the estimated populations of each quartile affected. However, the State Water Board does not collect or have information about the businesses served by water systems or how those businesses are charged for water, so only general statements could be made regarding businesses. The updated SRIA now explicitly acknowledges that any increase in household costs will necessarily be more burdensome for individuals for whom such expenses are already a higher proportion of total household expenses. Section 11 of the ISOR also contains information about the costs to individuals served by water systems of different sizes and funding options that are available to alleviate burdensome costs.*

Comment 3: Third, the SRIA must provide the rationale underlying any assumptions that are material to the analysis. The SRIA is missing rationale for some assumptions including but not limited to the following:

Comment 3a: Future costs are discounted at a 7 percent rate rather than a lower rate such as 3 percent. Since higher discount rates lead to lower cost estimates, the SRIA must disclose why 7 percent is the most appropriate discount rate for this regulation or provide a sensitivity analysis showing how different discount rates affect the impact estimates.

Response: *Section I.3.c.2 of the SRIA was updated to include rationale and sources for the rate of 7%. However, this was an interest rate, not a discount rate (the text has also clarified this point). Lower interest rates lead to lower cost estimates, making 7% more conservative than 3%.*

Comment 3b: The SRIA implicitly assumes that water systems that did not previously test for hexavalent chromium will not incur any compliance costs. The SRIA notes that the number of affected systems could increase as testing is adopted yet bases future cost estimates on only the number of systems currently known to be out of compliance. The SRIA must either explain why it assumes that the untested systems will not incur costs to comply with the regulation or provide a sensitivity analysis showing how

different assumptions about hexavalent chromium concentrations among untested water systems will affect the regulation's impact estimates.

Response: Section A.2 of the SRIA has been updated to explain that the majority of sources that have not tested are TNCWS sources and will not be required to test, and therefore, will not incur costs to comply with this regulation. Of all sources that would be required to test for hexavalent chromium by this regulation, only 4.6% of groundwater sources and 6.3% of surface water sources have not already tested. The extensive variability between sources, including but not limited to such factors as local geology, historic regional use of products or processes that contribute to the formation or deposition of hexavalent chromium, and the necessity of a source to a PWS, creates significant challenges to accurately extrapolate the extent of further contamination, any additional need for treatment, and the costs of such treatment. In addition, the cost estimates developed for this regulation rely on the contamination level of each source, which is not available for any untested sources. For these reasons, the State water Board did not attempt to predict how many additional sources may require treatment for hexavalent chromium and is instead relying on the known hexavalent chromium concentrations in drinking water sources to calculate costs.

COST IMPACTS ON A REPRESENTATIVE PRIVATE PERSON OR BUSINESS

[Gov. Code, §11346.5(a)(9)]

The proposed regulation does not impose any direct costs on individuals served by the affected PWS or on any other individual in California (this regulation only applies to PWS, not private wells). However, the affected PWS are likely to pass on some or all of their increased costs to the households or businesses that they serve, likely in the form of higher monthly water bills. Thus, based on current monitoring data, it is expected that 5.3 million individuals – approximately 14% of California's population – would experience water cost increases. For the majority of people (84%), the increases will likely be less than \$20 per month. Increases will likely be higher for those served by small PWS. As is the case with most increases in household costs, increases will be more burdensome for individuals for whom such expenses are already a higher proportion of total household expenses.

Detailed breakdowns of cost impacts to individuals are provided in section 11 of the ISOR and in section C.5 of the SRIA (ISOR Attachment 2).

BUSINESS REPORTS

[Gov. Code, §11346.5(a)(11); §11346.3(d)]

Government Code subsection 11346.36(d) requires that any administrative regulation adopted on or after January 1, 1993, that requires a report shall not apply to businesses, unless the state agency adopting the regulation makes a finding that it is necessary for health, safety, or welfare of the people of the state that the regulation apply to businesses. To the extent that this regulation requires reporting of businesses, that reporting is necessary for the health, safety, or welfare of the people of the state.

The only businesses that would be subject to the proposed regulations are those which are also PWS as defined in HSC section 116275.

HOUSING COSTS

[Gov. Code, §11346.5(a)(12)]

The State Water Board has determined that the regulations will have no impact on housing costs.

CONSIDERATION OF ALTERNATIVES

[Gov Code, §11346.5(a)(13)]

Based upon the analysis of the proposed regulations in the SRIA as well as the benefits identified, the State Water Resources Control Board must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be:

- more effective in carrying out the purpose for which the action is proposed,
- would be as effective and less burdensome to affected private persons than the proposed action, or
- would be more cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

As described in detail in the SRIA, the State Water Board estimated costs and benefits associated with 20 alternative potential MCLs: from 1 to 15, 20, 25, 30, 35, 40, and 45 µg/L. The State Water Board invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at the scheduled hearing or during the written comment period.

FORMS OR DOCUMENTS INCORPORATED BY REFERENCE

[CCR Title 1, Div. 1, Ch. 1, §20(c)(3)]

The following documents are incorporated by reference in the proposed regulations as it would be too cumbersome, unduly expensive, or impractical to publish these documents into regulation because of their length. Specifically,

- 1) U.S. EPA. (1994). Method 218.6: Determination of Dissolved Hexavalent Chromium in Drinking Water, Groundwater, and Industrial Wastewater Effluents by Ion Chromatography, Rev. 3.3 is approximately 16 pages in length; and
- 2) U.S. EPA (2011). Method 218.7: Determination of Hexavalent Chromium in Drinking Water by Ion chromatography with Post-Column Derivatization and UV-Visible Spectroscopic Detection is approximately 31 pages in length.

STATE WATER BOARD CONTACT PERSONS

[Gov. Code, §11346.5(a)(14)]

Requests for copies of the proposed regulatory text, the Initial Statement of Reasons, subsequent modifications of the proposed regulatory text, if any, or other inquiries concerning the proposed action may be directed to:

Melissa Hall, P.E.
Senior Water Resource Control Engineer
State Water Resources Control Board, Division of Drinking Water
(916) 323-0373
Email address: melissa.hall@waterboards.ca.gov

In the event Miss Hall is not available to respond, please contact:

Bethany Robinson, PhD
Water Resource Control Engineer
State Water Resources Control Board, Division of Drinking Water
(510) 620-6285
Email address: bethany.robinson@waterboards.ca.gov

Please identify the action by using the State Water Board regulation package identifier, “SWRCB-DDW-21-003: Hexavalent Chromium MCL” in any inquiries.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

[Gov. Code, § 11346.5(a)(15)]

Any interested person, or their representative, may submit written comments relevant to the proposed regulatory action to the Clerk to the State Water Board. Any written comments pertaining to these proposed regulations, regardless of the method of transmittal, must be received by the Clerk by 12:00 p.m. (noon) on **4 August 2023**, which is hereby designated as the close of the written comment period. Comments received after this time will not be considered timely. Written comments may be submitted via any of following methods:

1. By electronic mail to: commentletters@waterboards.ca.gov;
2. By facsimile (“fax”) transmission to: (916) 341-5620;
3. By mail to:
Courtney Tyler, Clerk to the Board
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-2000; or
4. By hand-delivery to:
Courtney Tyler, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814.

To facilitate timely identification and review, please identify the action by using the State Water Board regulation package identifier, “**SWRCB-DDW-21-003: Hexavalent Chromium MCL**” in any written comments.

The State Water Board requests but does not require that written comments sent by mail or hand-delivered be submitted in triplicate.

The State Water Board requests but does not require that, if reports or articles in excess of 25 pages are submitted in conjunction with the comments, the commenter provide a summary of the report or article and describe the reason for which the report or article is being submitted or its relevance to the proposed regulation.

All comments, including e-mail or fax transmissions, should include the author’s name and U.S. Postal Service mailing address in order for the State Water Board to provide copies of any notices for proposed changes to the regulation text or rulemaking file on which additional comments may be solicited. Please note that under the California Public Records Act (Gov. Code, §7920.000 *et seq.*), written and oral comments, attachments, and associated contact information (*e.g.*, your address, phone, email, *etc.*) become part of the public record and can be released to the public upon request.

Due to the limitations of the e-mail system, emails larger than 15 megabytes (MB) may be rejected and will not be delivered and received by the State Water Board. Therefore, emails larger than 15 MB should be submitted under separate emails or via another form of delivery.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND THE RULEMAKING FILE

[Gov. Code, §11346.5(a)(16)]

The State Water Board has prepared and has available for public review an initial statement of reasons for the proposed regulations, all the information upon which the proposed regulations are based, the text of the proposed regulations, EIR, and all other required forms, statements, and reports. The Regulatory Development Unit, Division of Drinking Water, State Water Resources Control Board, 1001 I Street, 17th Floor, Sacramento, CA 95814, will be the location for inspection and copying of public records, including reports, documentation, and other material related to the proposed regulations (rulemaking file) throughout the rulemaking process.

Upon specific request, these documents will be made available in Braille, large print, or CD (compact disk). In order to request that a copy of this public notice, the regulation text, and the initial statement of reasons be mailed or emailed to you in an alternative format, please call (916) 341-5611 (or the California Relay Service at 711) or send an email to board.clerk@waterboards.ca.gov.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

[Gov. Code, §11346.5(a)(18)]

After holding the hearing and considering relevant comments received in a timely manner, the State Water Board may adopt the proposed regulations as described in this notice. If the State Water Board makes modifications that are substantially related to the originally proposed text, the State Board will make the modified text – with changes clearly indicated – available to the public for at least 15 days before the State Water Board adopts the modified regulations. Any such modifications will also be posted on the State Water Board Web site. Please send requests for copies of any modified regulations to the attention of the contact persons provided above (“Contact Persons”). The State Water Board will accept written comments on the modified regulation for 15 days after the date on which they were made available.

AVAILABILITY OF FINAL STATEMENT OF REASONS

[Gov. Code, §11346.5(a)(19)]

The State Water Board will prepare a final statement of reasons pursuant to Government Code section 11346.9 after final adoption of the regulations. Please direct requests for copies of the final statement of reasons to the attention of the contact persons listed above (“Contact Persons”).

AVAILABILITY OF DOCUMENTS ON THE INTERNET

[Gov. Code, §11346.4(a)(6); §11346.5(a)(20)]

Copies of this Notice of Proposed Rulemaking, the Initial Statement of Reasons, and the text of the regulations may be found on the State Water Board’s Web site at the Division of Drinking Water’s Hexavalent Chromium MCL Internet Web Page at: https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/SWRCBDDW-21-003_hexavalent_chromium.html.

June 16, 2023
Date



Courtney Tyler
Clerk to the Board

COMMITTEE CONSIDERATION FORM

PLEASE PRINT LEGIBLY

Agency Name (DO NOT use acronyms or abbreviations) Florin Resource Conservation District/Elk Grove Water District	Phone (916) 685-3556
Agency Address 9257 Elk Grove Blvd.	City, State & Zip Elk Grove, CA 95624

**BELOW PLEASE LIST ALL THOSE INTERESTED IN BEING ON ACWA COMMITTEES FOR YOUR AGENCY.
FOR ADDITIONAL RECOMMENDATIONS PLEASE FILL OUT ANOTHER FORM.**

**If an individual is not an agency employee or director, please indicate company affiliation.*

Name John Woodling	Title/Company* Vice President/GEI Consultants	Email Address jwoodling@geiconsultants.com
Committee 1st Choice Groundwater	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice

Signature (Agency/District General Manager or Board President signature required)

Title

Date

QUESTIONS?

Contact Region and Member Engagement Specialist
Petra Rice at petrar@acwa.com or (916) 441-4545

980 9th Street, Suite 1000
Sacramento, CA 95814
www.acwa.com

July 18, 2023

TO: Chair and Directors of the Florin Resource Conservation District
FROM: Bruce Kamilos, General Manager
SUBJECT: **ELK GROVE WATER DISTRICT OPERATIONS REPORT – JUNE 2023**

RECOMMENDATION

This item is presented for information only. No action by the Florin Resource Conservation District Board of Directors is proposed at this time.

SUMMARY

The Elk Grove Water District (EGWD) Operations Report is a standing item on the regular board meeting agenda.

All regulatory requirements were met for the month of June. Other notable events are described below.

DISCUSSION

Background

Every month, staff presents an update of the activities related to the operations of the EGWD. Included for the Florin Resource Conservation District Board of Director's review is the EGWD's June 2023 Operations Report.

Present Situation

The EGWD June 2023 Operations Report highlights are as follows:

- **Operations Activities Summary** – 323 door hangers were placed for past due balances, which resulted in 44 shut offs. We received five (5) water pressure complaints and two (2) water quality complaints.
- **Production** – The Combined Total Service Area 1 production graph on page 13 shows that production during the month of June decreased 10.87 percent compared to what was produced in 2020. The year 2020 is the baseline year the State Water Resources Control Board adopted for water usage. The Total Demand/Production for both service areas on page 14 shows that customer use during the month of June compared to 2020 was down by 8.37 percent.

ELK GROVE WATER DISTRICT OPERATIONS REPORT – JUNE 2023

Page 2

- **Static and Pumping Level Graphs** – The second quarter soundings are shown and indicate that the static water levels are higher compared to the second quarter of 2022.
- **Treatment (Compliance Reporting)** – All samples taken during the month comply with all regulatory permit requirements. No exceedances of any maximum contaminant levels were found, and all water supplied to EGWD’s customers met or exceeded safe drinking water standards.
- **Corrective Maintenance Program** – The tables included in this section of the report also include certain activities completed to date. Below is a list of out-of-ordinary maintenance work completed in June:
 - Staff replaced a failing panel exhaust fan inside the Clor-Tec control cabinet at the Railroad Water Treatment Plant.
- **Safety Meetings/Training** – Two (2) safety training sessions were conducted for the month which is compliant with OSHA standards.
- **Service and Main Leaks Map** – There were two (2) service line leaks and zero main line leaks during June.
- **System Pressures** – Pressures in Service Area 1 generally remained stable during the month of June. Pressures in Service Area 2, which are controlled by Sacramento County Water Agency (SCWA), are trending lower due to SCWA supplying more surface water in Service Area 2 and less groundwater.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

This item conforms to the FRCD/EGWD 2020-2025 Strategic Plan. The EGWD Operations Report provides an ongoing review of EGWD’s operations, and therefore conforms with Strategic Goal No. 1, Governance and Customer Engagement.

July 18, 2023

ELK GROVE WATER DISTRICT OPERATIONS REPORT – JUNE 2023

Page 3

FINANCIAL SUMMARY

There is no financial impact associated with this report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "B. M. Kamilos".

BRUCE KAMILOS
GENERAL MANAGER

BMK/ac

Attachment

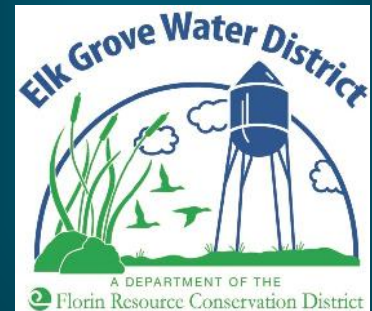
EGWD

OPERATIONS REPORT

June 2023



Elk
Grove
Water
District



Elk Grove Water District
Operations Report
Table of Contents

1. Operations Activities Summary	3
a. Door Hangers and Shut Off Tags	4
2. Production	
a. Active Well Sites & Intertie Connections Map	5
b. Monthly Production Graphs	
i. Well 1D School Street	6
ii. Well 4D Webb Street	7
iii. Well 11D Dino	8
iv. Well 14D Railroad	9
v. Well 8 Williamson	10
vi. Well 9 Polhemus	11
vii. Well 13 Hampton	12
c. Combined Total Production	13
d. Total Demand/Production	14
e. EGWD Water Usage	15
f. EGWD Combined R-GPCD	16
3. Static and Pumping Level Graphs	
a. Well 1D School Street	17
b. Well 4D Webb Street	18
c. Well 11D Dino	19
d. Well 14D Railroad	20
e. Well 8 Williamson	21
f. Well 9 Polhemus	22
g. Well 13 Hampton	23
4. Historic Static Well Levels	24-27
5. Regulatory Compliance	
a. Monthly Water Sample Report	28-32
b. Wastewater Discharge Compliance Report Form	33-35
c. Monthly Summary of Distribution System Coliform Monitoring	36-37
d. Monthly Summary of the Hampton Groundwater Treatment Plant	38-39
e. Monthly Fluoridation Monitoring Report	40-41
f. Quarterly Report for Disinfectant Residuals Compliance Monitoring	42-44
g. Quarterly Summary of Raw Groundwater Coliform Monitoring	45-46
h. Quarterly TTHM And HAA5 Report for Disinfection Byproducts Compliance	47-49
6. Safety Meetings/Training	50
7. Service and Main Leaks Map	51
8. Sample Station Areas Map	52

Operations Activities Summary

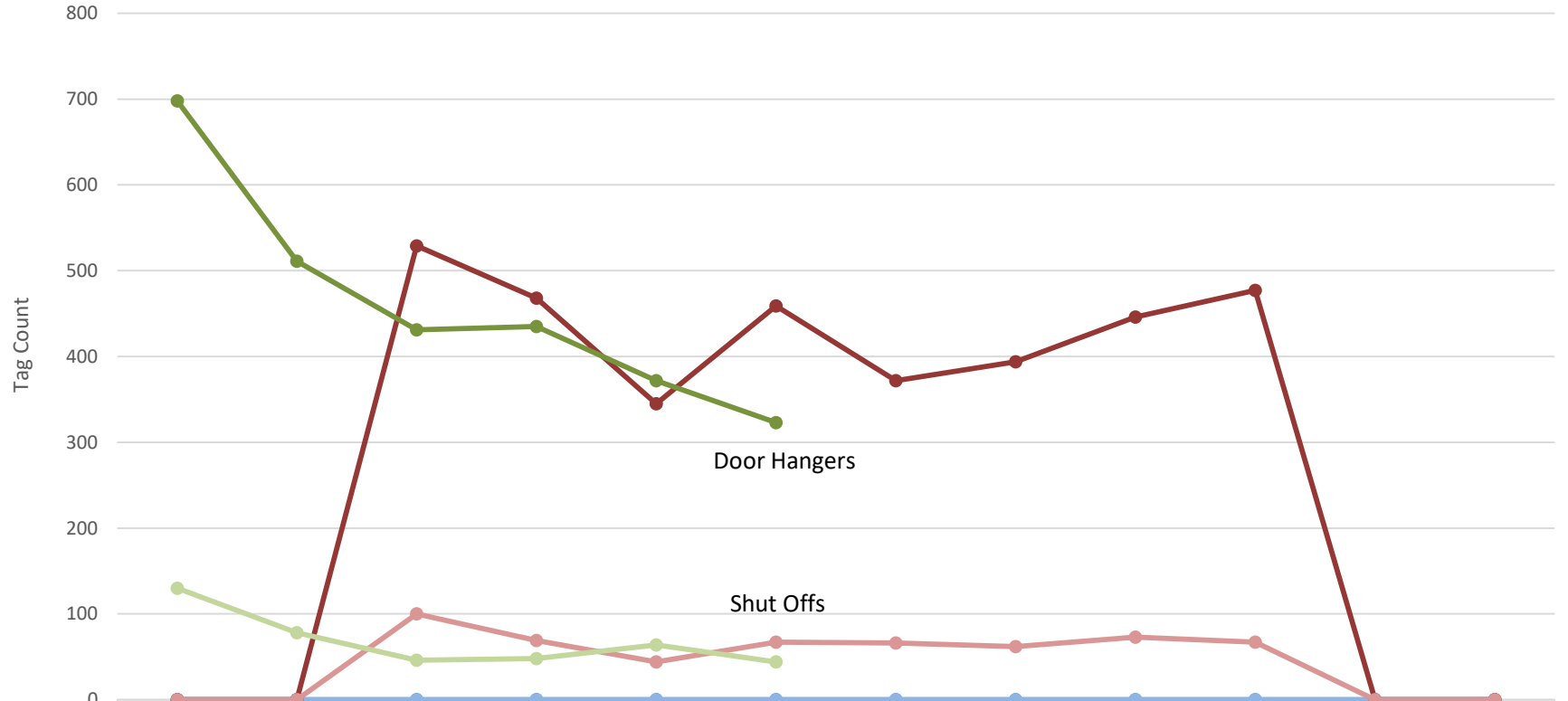
<u>Service Requests:</u>	June -23		YTD (Since Jan. 1, 2023)	
<u>Department</u>	<u>Service Request</u>	<u>Hours</u>	<u>Service Request</u>	<u>Hours</u>
Distribution				
Door Hangers	323	9	2,770	93
Shut offs	44	6	410	44
Turn ons	42	6	655	48
Investigations	34	8.5	345	86.25
USA Locates	369	92.25	1,633	408.25
Customer Complaints				
-Pressure	5	2.5	18	9
-Water Quality	2	1	3	1.5

<u>Work Orders:</u>	June -23		YTD (Since Jan. 1, 2023)	
<u>Department</u>	<u>Work Orders</u>	<u>Hours</u>	<u>Work Orders</u>	<u>Hours</u>
Distribution:				
Meters Installed	25	13.25	29	15
Meter Change Out	27	13.75	93	49.75
Preventative Maint.				
-Hydrant Maintenance (45)	0	0	251	62
-Valve Exercising (127)	0	0	635	143.5
Corrective Maint.				
-Leaks	2	23	10	127.75
-Other	0	0	71	65.25
Valve Locates	0	0	0	0



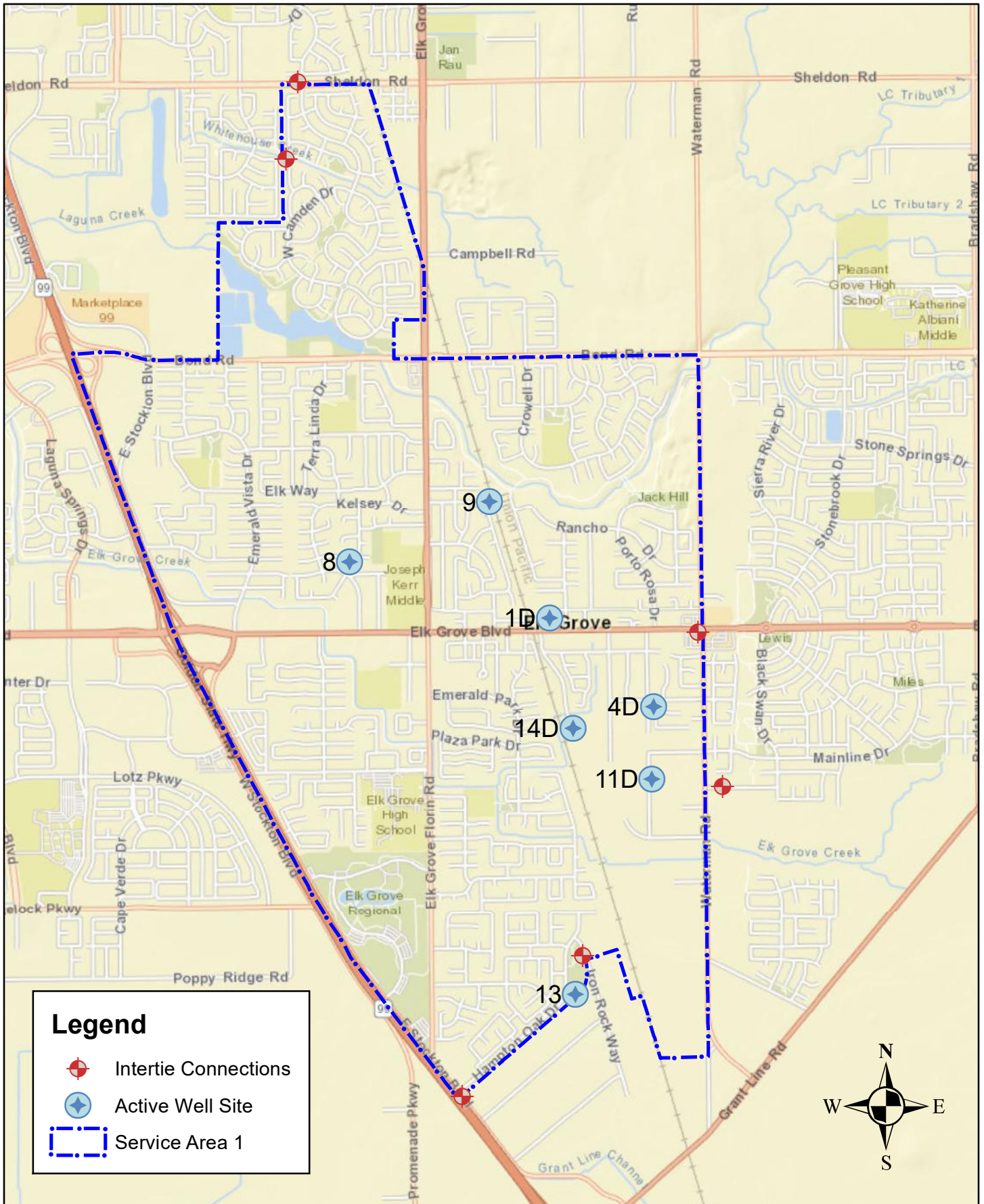
Elk Grove Water District

Door Hangers and Shut Off Tags






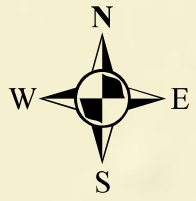
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021 Door Hangers	0	0	0	0	0	0	0	0	0	0	0	0
2021 Shut Offs	0	0	0	0	0	0	0	0	0	0	0	0
2022 Door Hangers	0	0	529	468	345	459	372	394	446	477	0	0
2022 Shut Offs	0	0	100	69	44	67	66	62	73	67	0	0
2023 Door Hangers	698	511	431	435	372	323						
2023 Shut Offs	130	78	46	48	64	44						

4

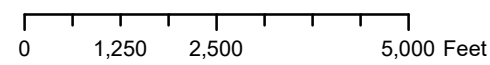


Legend

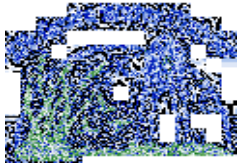
-  Intertie Connections
-  Active Well Site
-  Service Area 1



Active Well Sites & Intertie Connections



Elk Grove Water District



Elk Grove Water District

Monthly Production

Well 1D School -- June 2023

Selected Month Production

1,722,830 Gallons

Average GPM: 1,709
 Pump depth: 275 ft
 Well depth: 1025 ft

Motor:

Volts: 468
 Volts (Rated): 460
 RPM: 1789
 RPM (Rated): 2115
 Amps A: 178
 Amps A (Rated): 222
 Amps B: 177
 Amps B (Rated): 222
 Amps C: 174
 Amps C (Rated): 222

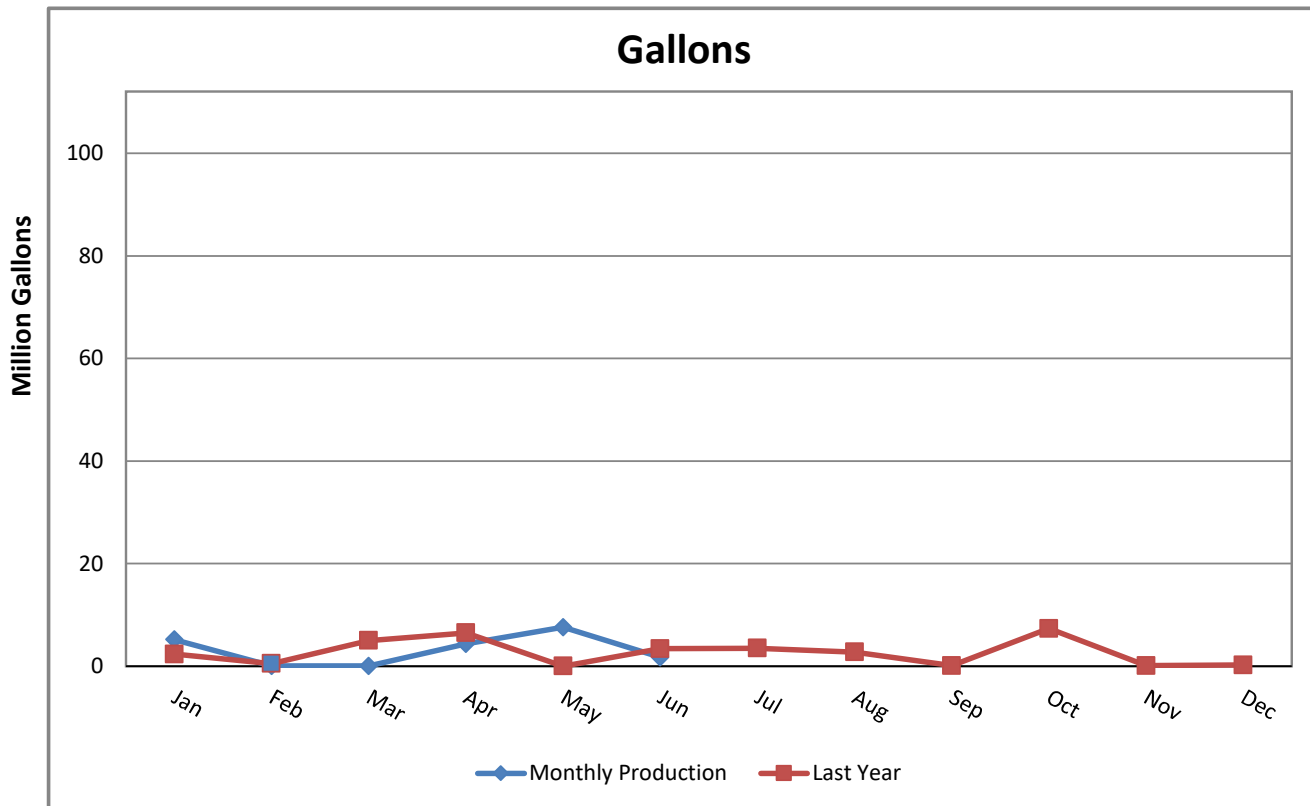
Motor Temp: 114.9 F
 Hour Meter: 16.80

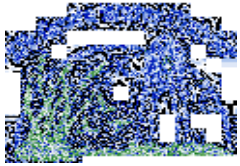
Chlorine:

Dosing: 1.64 mg/L
 Demand: 0.55 mg/L
 Residual: 1.09 mg/L

Vibration Reading:

Base Line: 0.05 in/sec
 Current: 0.01 in/sec





Elk Grove Water District

Monthly Production

Well 4D Webb -- June 2023

Selected Month Production

49,765,226 Gallons

Average GPM: 1692
Pump depth: 340 ft
Well depth: 1075 ft

Motor:

Volts: 480
Volts (Rated): 460
RPM: 1683
RPM (Rated): 1775
Amps A: 183
Amps A (Rated): 225
Amps B: 181
Amps B (Rated): 225
Amps C: 181
Amps C (Rated): 225

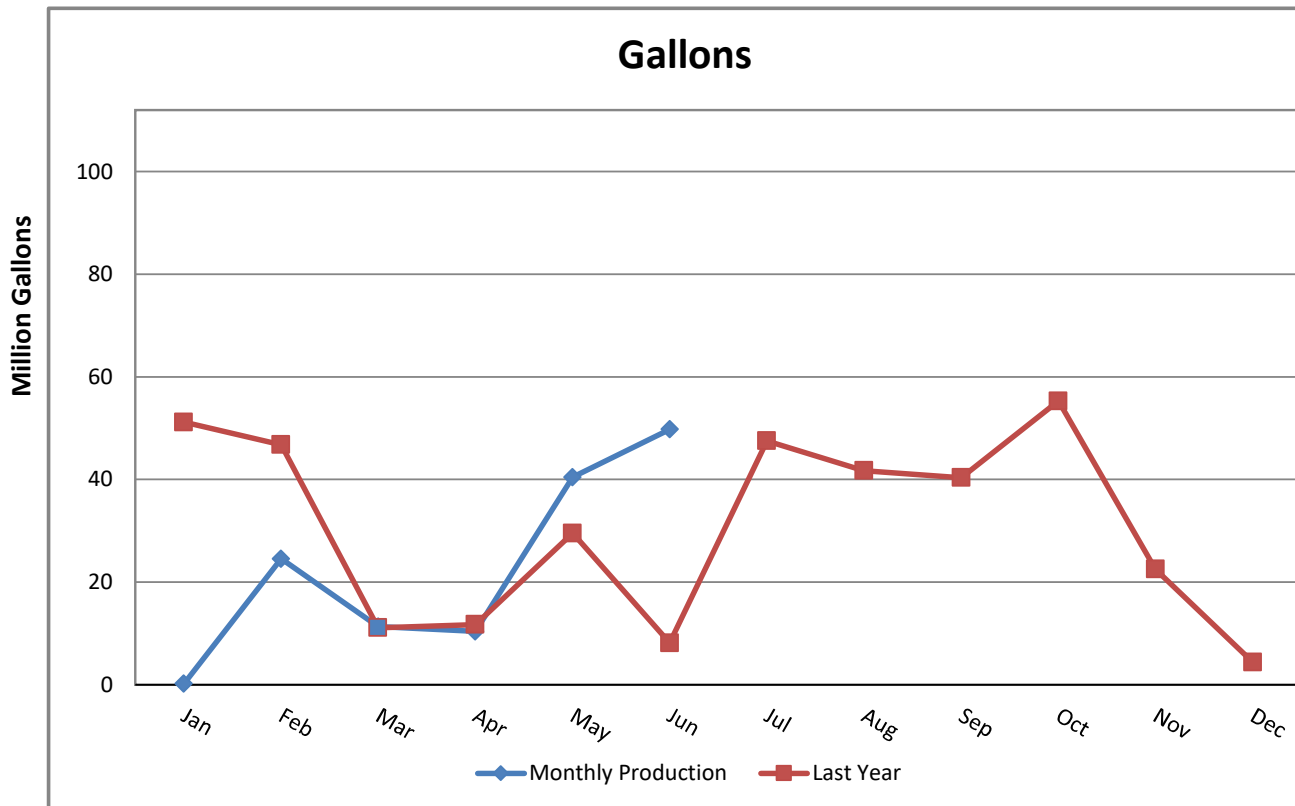
Motor Temp: 156.1 F
Hour Meter: 490.20

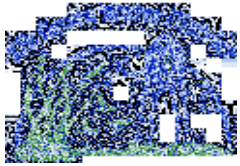
Chlorine:

Dosing: 1.68 mg/L
Demand: 0.61 mg/L
Residual: 1.07 mg/L

Vibration Reading:

Base Line: 0.05 in/sec
Current: 0.02 in/sec





Elk Grove Water District

Monthly Production

Well 11D Dino -- June 2023

Selected Month Production

33,643,535 Gallons

Average GPM: 1699
Pump depth: 340 ft
Well depth: 1038 ft

Motor:

Volts: 480
Volts (Rated): 460
RPM: 1737
RPM (Rated): 1775
Amps A: 209
Amps A (Rated): 225
Amps B: 208
Amps B (Rated): 225
Amps C: 196
Amps C (Rated): 225

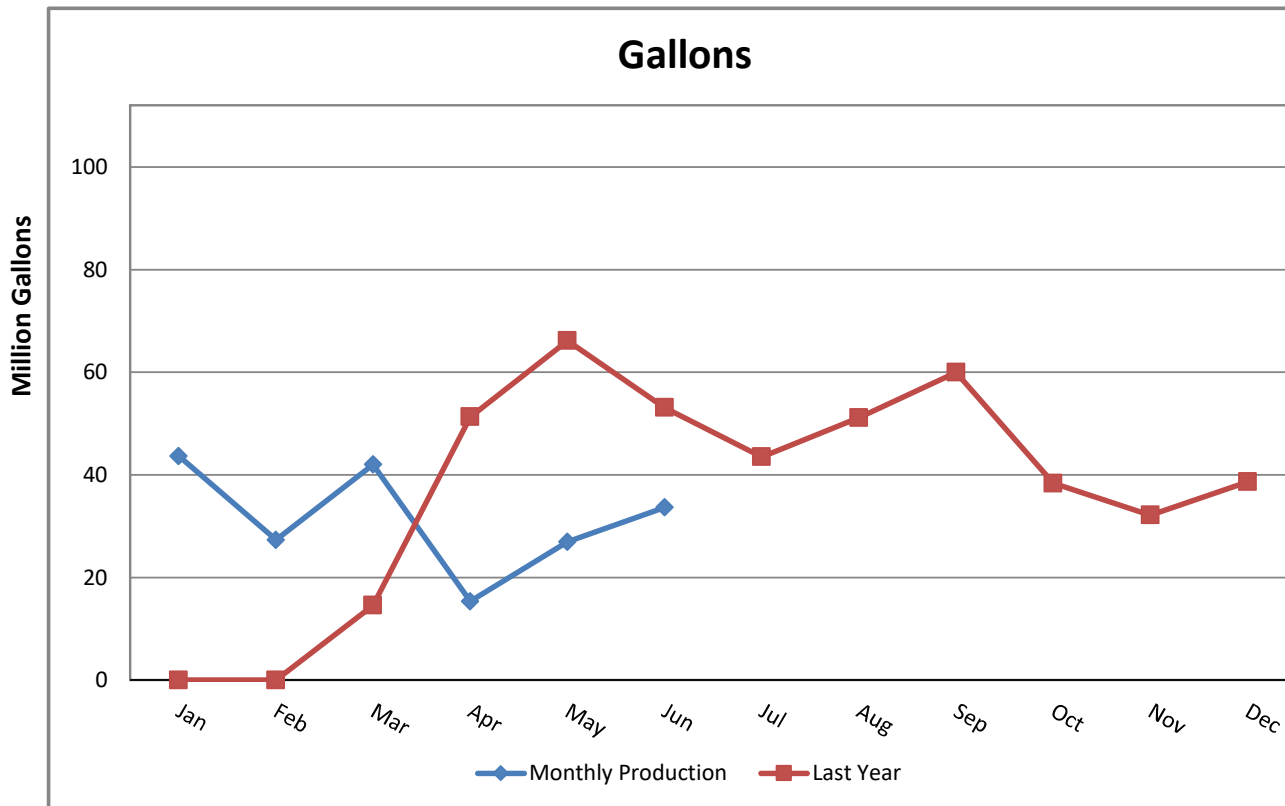
Motor Temp: 156 F
Hour Meter: 329.90

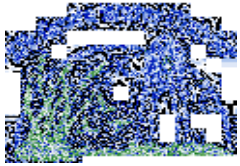
Chlorine:

Dosing: 1.68 mg/L
Demand: 0.58 mg/L
Residual: 1.10 mg/L

Vibration Reading:

Base Line: 0.05 in/sec
Current: 0.01 in/sec





Elk Grove Water District

Monthly Production

Well 14D Railroad -- June 2023

Selected Month Production

2,335,042 Gallons

Average GPM: 1474
 Pump depth: 340 ft
 Well depth: 1051 ft

Motor:

Volts: 474
 Volts (Rated): 460
 RPM: 1784
 RPM (Rated): 1785
 Amps A: 163
 Amps A (Rated): 171
 Amps B: 165
 Amps B (Rated): 171
 Amps C: 165
 Amps C (Rated): 171

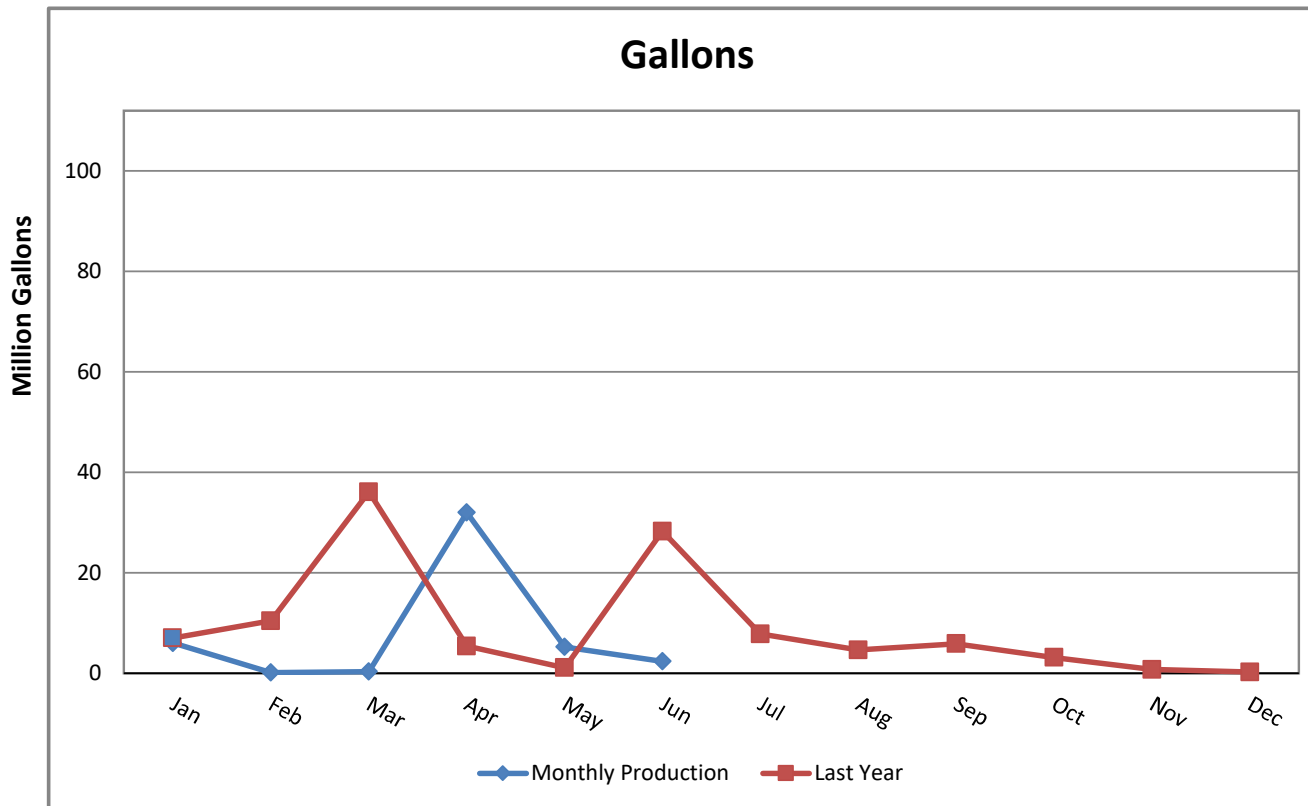
Motor Temp.: 112.3 F
 Hour Meter: 26.40

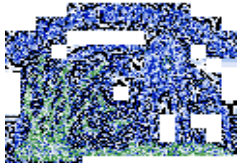
Chlorine:

Dosing: 1.76 mg/L
 Demand: 0.67 mg/L
 Residual: 1.09 mg/L

Vibration Reading:

Base Line: 0.02 in/sec
 Current: 0.06 in/sec





Elk Grove Water District

Monthly Production

Well 8 Williamson -- June 2023
(Submersible)

Selected Month Production

11,370,539 Gallons

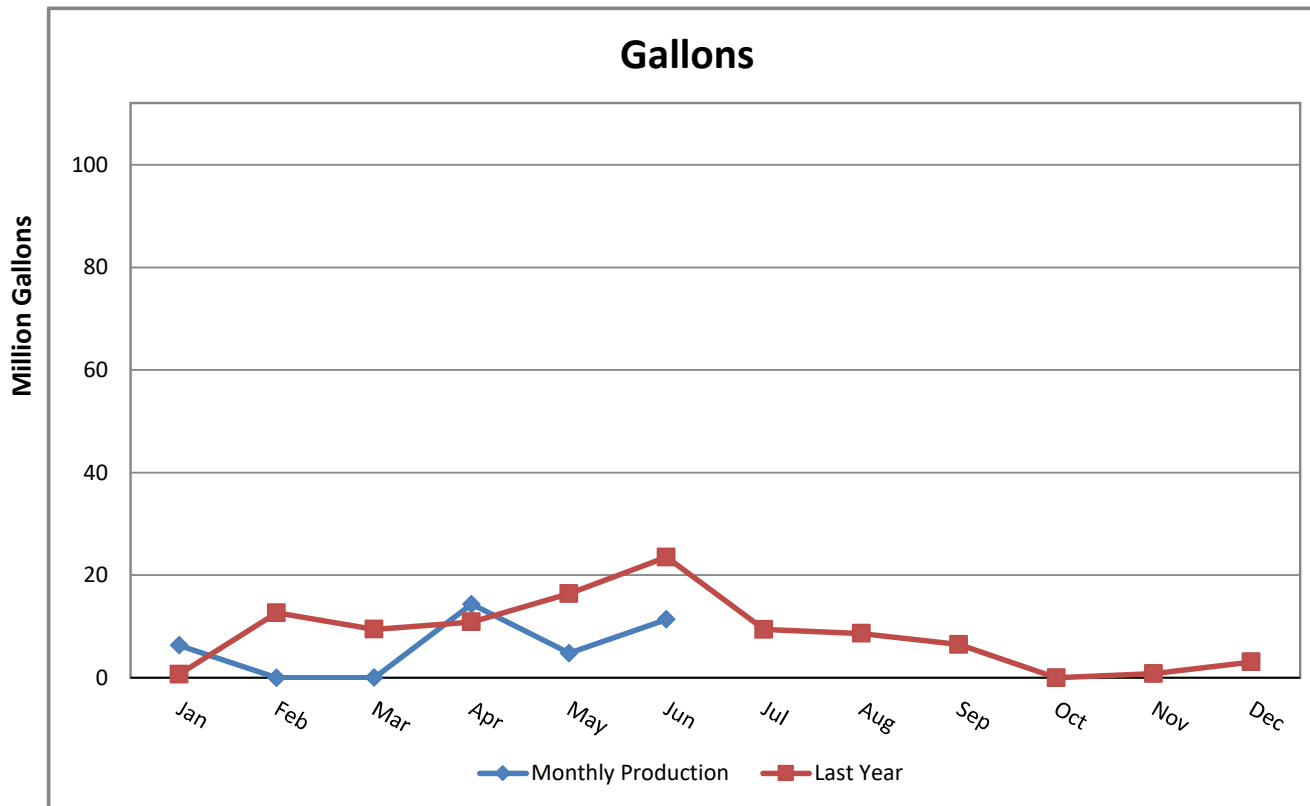
Average GPM: 556
Pump depth: 150 ft
Well depth: 564 ft

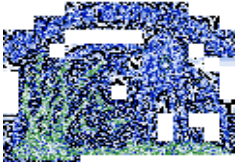
Motor:
Volts: 459
Volts (Rated): 460

Amps A: 68
Amps A (Rated): 65
Amps B: 67
Amps B (Rated): 65
Amps C: 67
Amps C (Rated): 65

Hour Meter: 340.30

Chlorine:
Dosing: 1.28 mg/L
Demand: 0.1 mg/L
Residual: 1.18 mg/L





Elk Grove Water District

Monthly Production

Well 9 Polhemus -- June 2023
(Submersible)

Selected Month Production

11,261,570 Gallons

Average GPM: 494
Pump depth: 150 ft
Well depth: 556 ft

Motor:

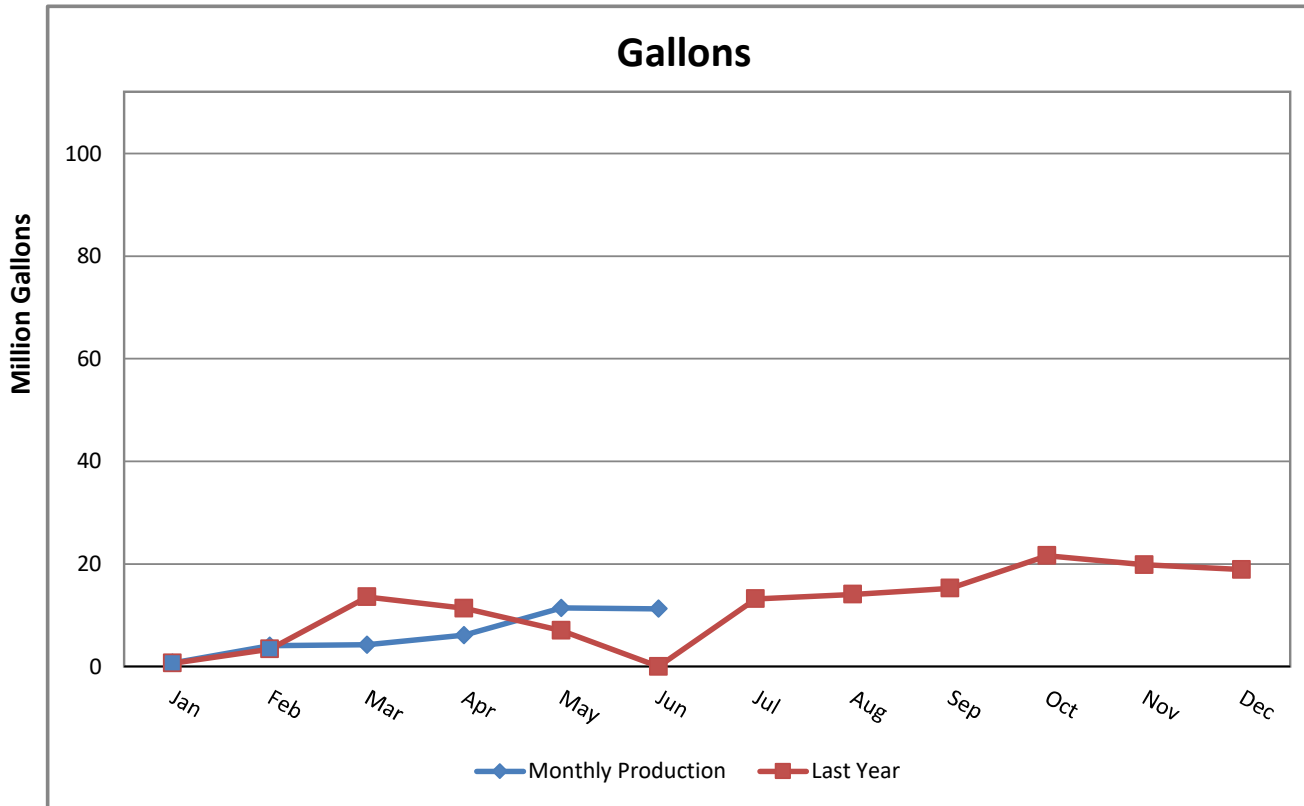
Volts: 481
Volts (Rated): 460

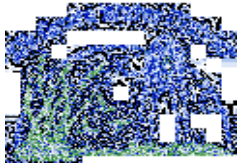
Amps A: 58
Amps A (Rated): 65
Amps B: 58
Amps B (Rated): 65
Amps C: 60
Amps C (Rated): 65

Hour Meter: 379.90

Chlorine:

Dosing: 1.21 mg/L
Demand: 0.18 mg/L
Residual: 1.03 mg/L





Elk Grove Water District

Monthly Production

Well 13 Hampton -- June 2023

Selected Month Production

39,585,317 Gallons

Average GPM: 951
 Pump depth: 200 ft
 Well depth: 500 ft

Motor:

Volts: 475
 Volts (Rated): 460
 RPM: 1785
 RPM (Rated): 1785
 Amps A: 103
 Amps A (Rated): 141
 Amps B: 104
 Amps B (Rated): 141
 Amps C: 106
 Amps C (Rated): 141

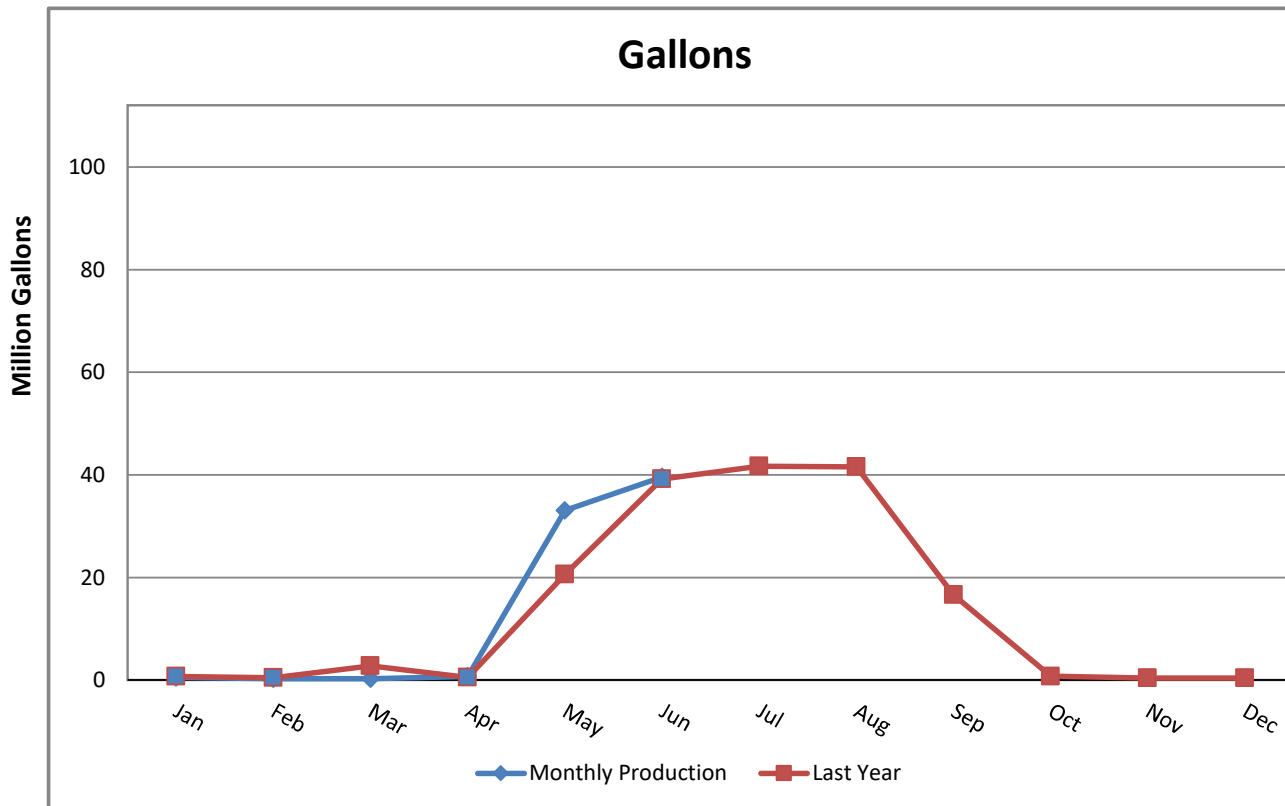
Motor Temp.: 133.3 F
 Hour Meter: 693.3

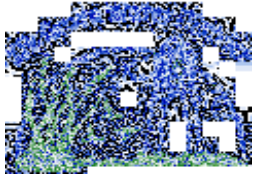
Chlorine:

Dosing: 1.43 mg/L
 Demand: 0.38 mg/L
 Residual: 1.05 mg/L

Vibration Reading:

Base Line: 0.02 in/sec
 Current: 0.02 in/sec





Elk Grove Water District

Combined Total Production

Service Area 1

Jun-2023

Current Month Production:

149,684,059 Gallons

Highest Day Demand of the Month:

5,789,121

Date of Occurrence

30-Jun-23

Highest Day Demand of the Calendar Year:

5,789,121

Date of Occurrence

30-Jun-23

"Water Year" Rainfall: (Oct-22 to Sep-23)

Current Month: 0.00 in

Year To Date: 21.92 in

"Water Year" Rainfall: (Oct-21 to Sep-22)

June 2022 0.09 in

Year To Date: 15.16 in

Entire Year Total: 16.82 in

Temperature:

This Month High 101 F

This Month Low 50 F

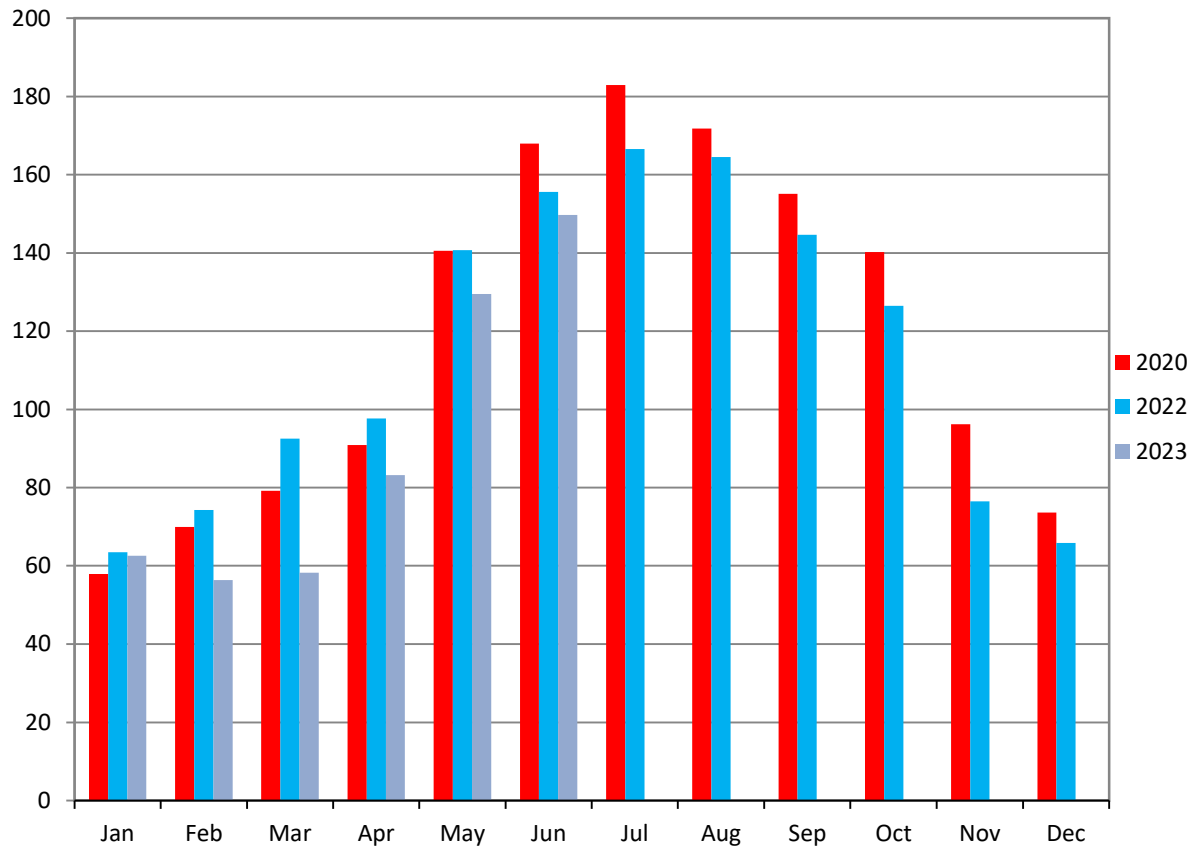
This Month Average 69.25 F

JUN-22 High 105 F

JUN-22 Low 51 F

JUN-22 Average 75.5 F

Million Gallons

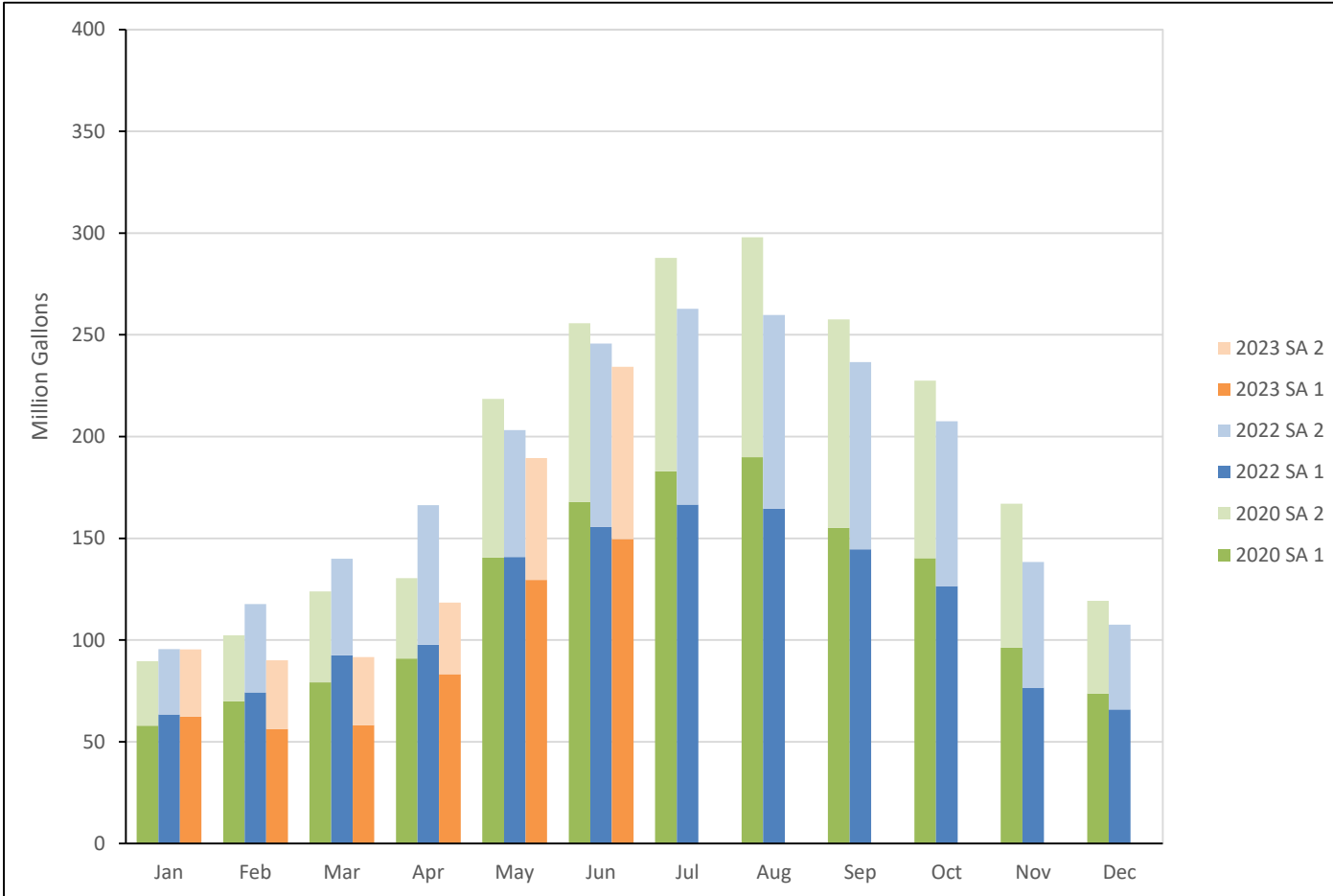




Elk Grove Water District

Total Demand/Production

Jun-2023



Current Month Demand/Production:

234,288,843 Gallons

***Change From June 2020:** -8.37%

GPCD: 165.8 Gallons per Day

R-GPCD: 126.1 Gallons per Day

Service Area 1

Active Connections: 7,938

Current Month Demand/Production:

149,684,059 Gallons

***Change From June 2020:** -10.87%

GPCD: 173.8 Gallons per Day

R-GPCD: 135.0 Gallons per Day

Service Area 2

Active Connections: 4,948

Current Month Demand/Production:

84,604,784 Gallons

***Change From June 2020:** -3.60%

GPCD: 153.4 Gallons per Day

R-GPCD: 112.7 Gallons per Day

*Percent reduction has been changed to percent change. Negative change is reduction and positive change is increase.

Elk Grove Water District Water Usage

----- Monthly Production (gallons) -----

2020	January	February	March	April	May	June	July	August	September	October	November	December	Total
GW (SA1)	57,904,843	69,920,851	79,195,437	90,851,253	140,575,760	167,942,394	182,964,721	189,801,764*	155,126,225	140,229,242	96,201,714	73,624,502	1,444,338,706
Purchased (SA2)	31,743,624	32,416,076	44,764,808	39,523,572	77,964,788	87,759,848	104,799,288	108,177,256	102,434,860	87,187,628	70,876,740	45,577,136	833,225,624
Total	89,648,467	102,336,927	123,960,245	130,374,825	218,540,548	255,702,242	287,764,009	297,979,020	257,561,085	227,416,870	167,078,454	119,201,638	2,277,564,330

2021	January	February	March	April	May	June	July	August	September	October	November	December	Total
GW (SA1)	64,881,378	57,088,452	78,904,998	122,759,415	161,903,489	171,428,103	180,693,083	173,985,025	153,922,309	114,717,480	65,607,814	61,008,401	1,406,899,947
Purchased (SA2)	34,553,112	34,867,272	38,268,428	53,156,620	84,725,960	96,521,920	110,862,576	113,081,144	94,977,300	84,569,628	48,501,816	34,885,972	828,971,748
Total	99,434,490	91,955,724	117,173,426	175,916,035	246,629,449	267,950,023	291,555,659	287,066,169	248,899,609	199,287,108	114,109,630	95,894,373	2,235,871,695

2022	January	February	March	April	May	June	July	August	September	October	November	December	Total
GW (SA1)	63,469,715	74,242,203	92,483,924	97,643,001	140,747,995	155,597,114	166,596,675	164,513,039	144,632,180	126,478,648	76,517,155	65,813,605	1,368,735,254
Purchased (SA2)	32,115,380	43,369,788	47,452,372	68,588,608	62,494,652	90,110,812	96,146,424	95,299,688	92,002,504	81,006,904	61,785,548	41,748,872	812,121,552
Total	95,585,095	117,611,991	139,936,296	166,231,609	203,242,647	245,707,926	262,743,099	259,812,727	236,634,684	207,485,552	138,302,703	107,562,477	2,180,856,806

2023	January	February	March	April	May	June	July	August	September	October	November	December	Total
GW (SA1)	62,562,387	56,343,279	58,232,742	83,205,416	129,475,692	149,684,059	-	-	-	-	-	-	539,503,575
Purchased (SA2)	32,851,412	33,735,548	33,439,340	35,189,660	59,937,240	84,604,784	-	-	-	-	-	-	279,757,984
Total	95,413,799	90,078,827	91,672,082	118,395,076	189,412,932	234,288,843	0	0	0	0	0	0	819,261,559

----- Monthly Percent Change - Comparing 2020 to 2023 -----

% Change	January	February	March	April	May	June	July	August	September	October	November	December	Total
GW (SA1)	8.04%	-19.42%	-26.47%	-8.42%	-7.90%	-10.87%	-	-	-	-	-	-	-
Purchased (SA2)	3.49%	4.07%	-25.30%	-10.97%	-23.12%	-3.60%	-	-	-	-	-	-	-
Total	6.43%	-11.98%	-26.05%	-9.19%	-13.33%	-8.37%	-	-	-	-	-	-	-
% Cumulative Change	6.43%	-3.38%	-12.27%	-11.37%	-12.02%	-11.00%	-	-	-	-	-	-	-

*Notes

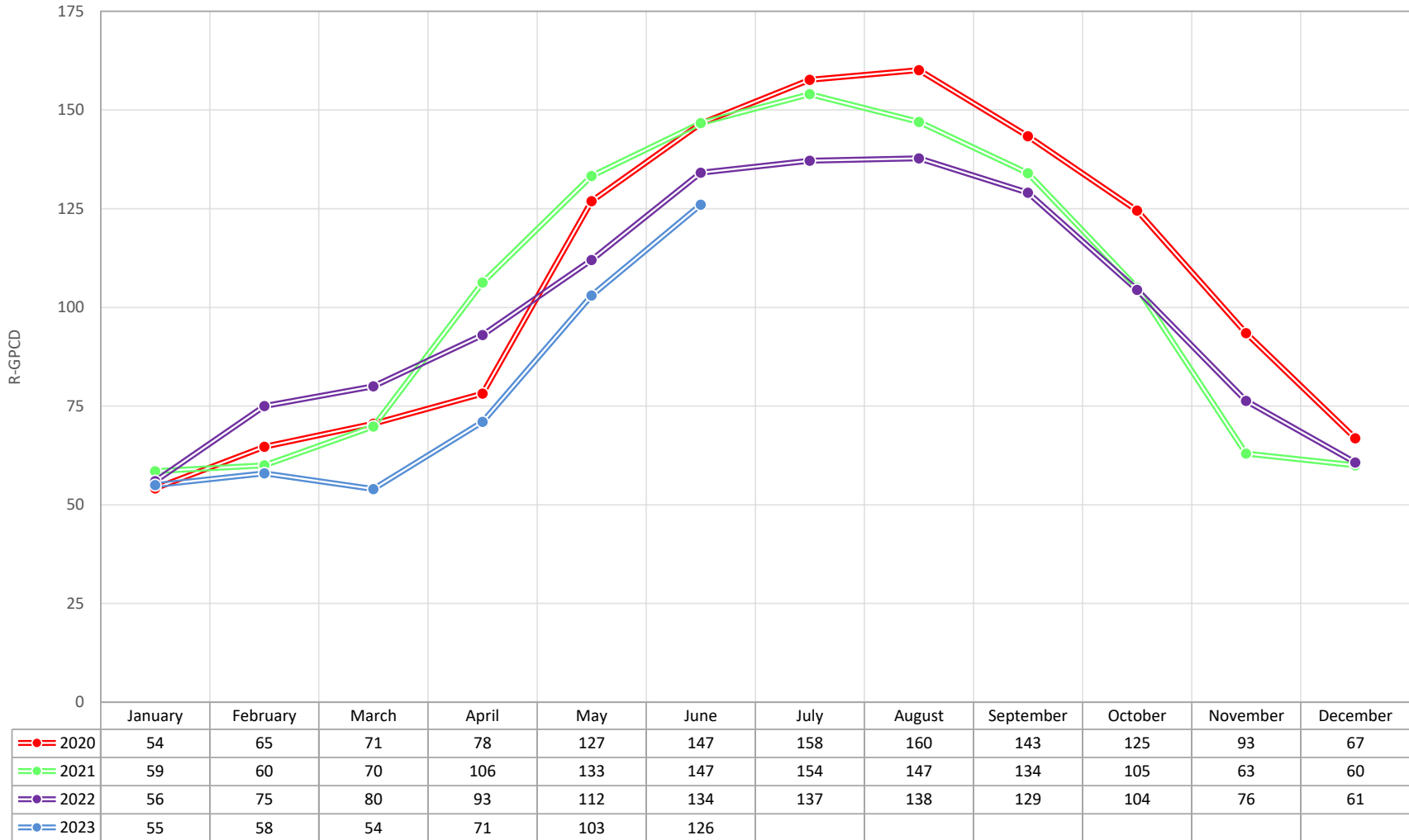
2020 August production number for SA1 includes water delivered through open interties with SA2.
 SA1 = Service Area 1, SA2 = Service Area 2. SA1 is all groundwater (GW) production. SA2 is all purchased water from SCWA.
 Charlois and Springhurst Intertie 18,000,000 Gallons
 Charlois Intertie (Aug 2020) 8,706,529 Gallons (Determined from Bruce Kamilos calculations)
 Springhurst Intertie (Aug 2020) 14,511,000 Gallons (Number provided from meter read by SCWA)

Service Area 2		Consumption	
2023	# Accts	CCF	Gallons
Jan	4,921	43,919	32,851,412
Feb	4,922	45,101	33,735,548
Mar	4,923	44,705	33,439,340
Apr	4,923	47,045	35,189,660
May	4,923	80,130	59,937,240
Jun	4,948	113,108	84,604,784
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			

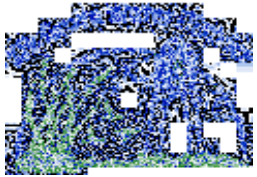


EGWD COMBINED R-GPCD

—●— 2020 —●— 2021 —●— 2022 —●— 2023



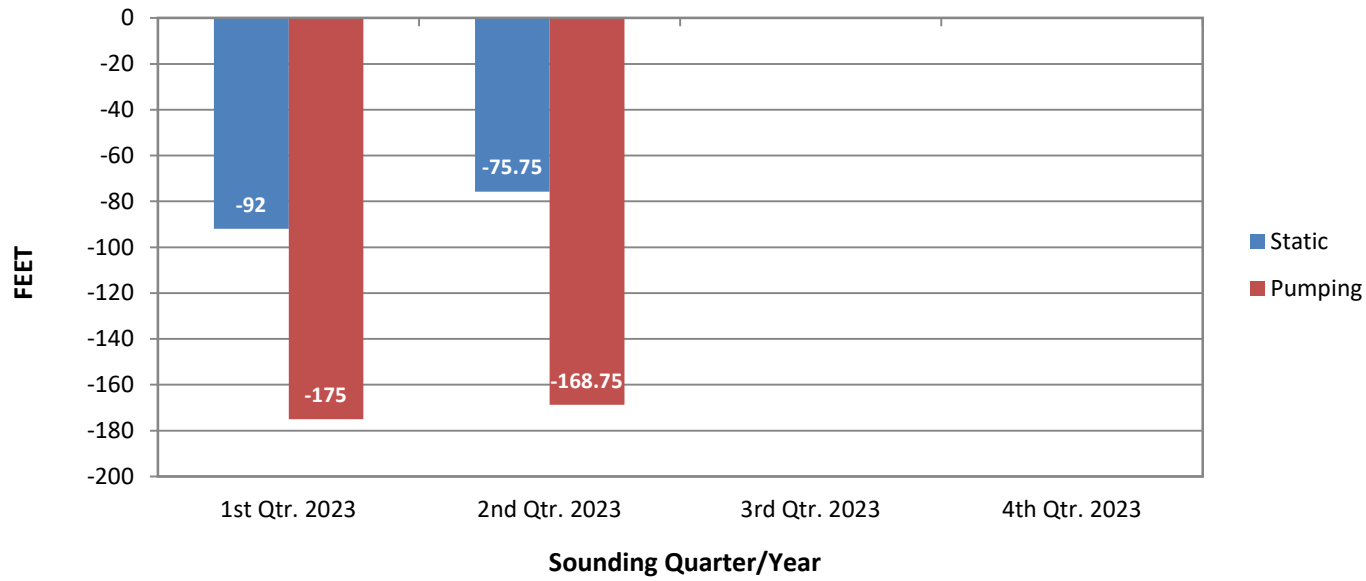
R-GPCD = Residential Gallons per Capita per Day



Elk Grove Water District

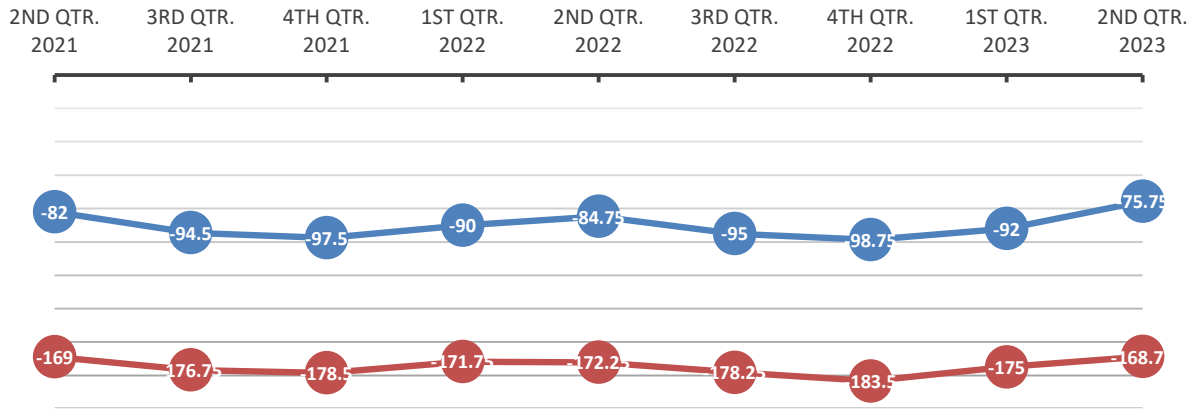
Static and Pumping Levels

Well 1D School St



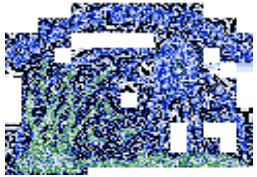
Latest Well Sounding

Static:	75.75 Ft
Pumping:	168.75 Ft
Drawdown:	93 Ft
GPM:	1,803
Specific Capacity:	19.386



Latest Sand Tester Results:

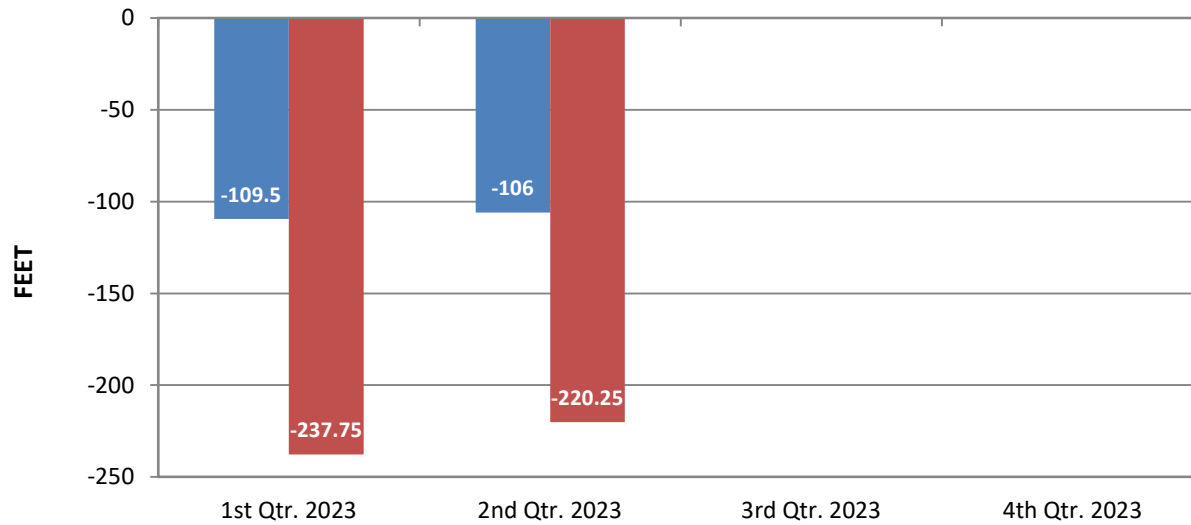
15 Min: < 5 ppm



Elk Grove Water District

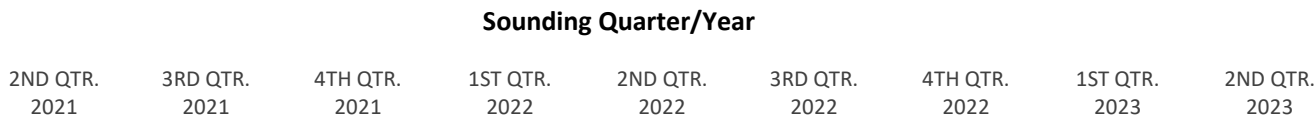
Static and Pumping Levels

Well 4D Webb St



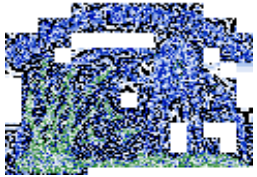
Latest Well Sounding

Static:	106 Ft
Pumping:	220.25 Ft
Drawdown:	114.25 Ft
GPM:	1,692
Specific Capacity:	14.808



Latest Sand Tester Results:

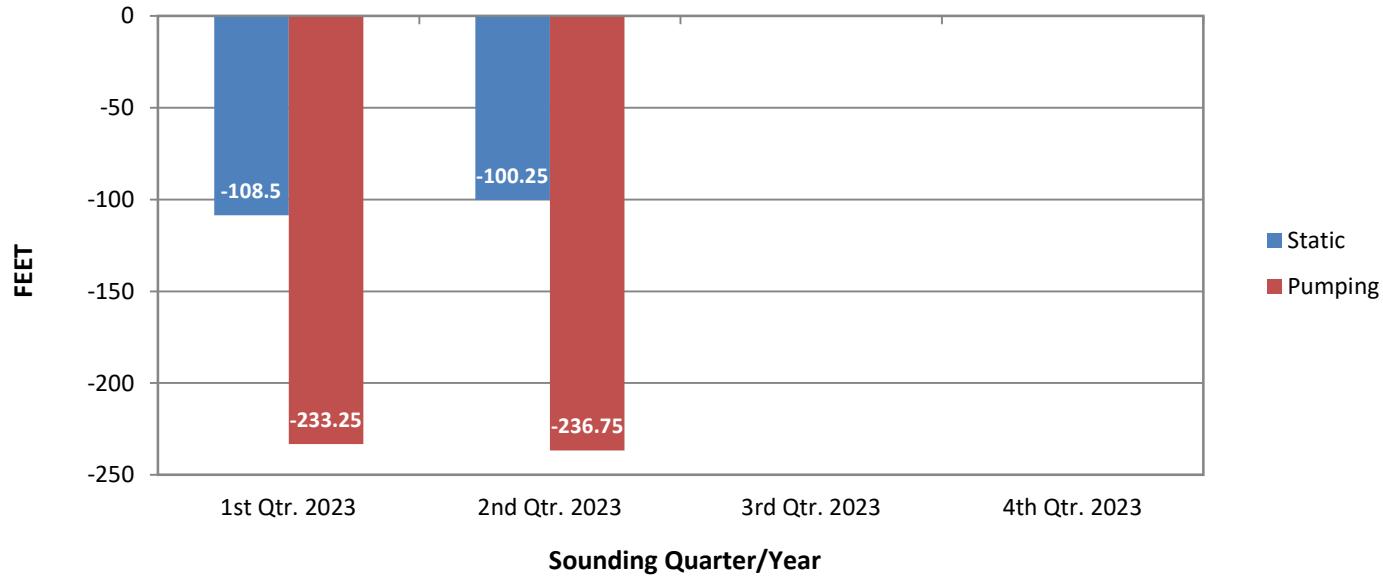
15 Min: < 5 ppm



Elk Grove Water District

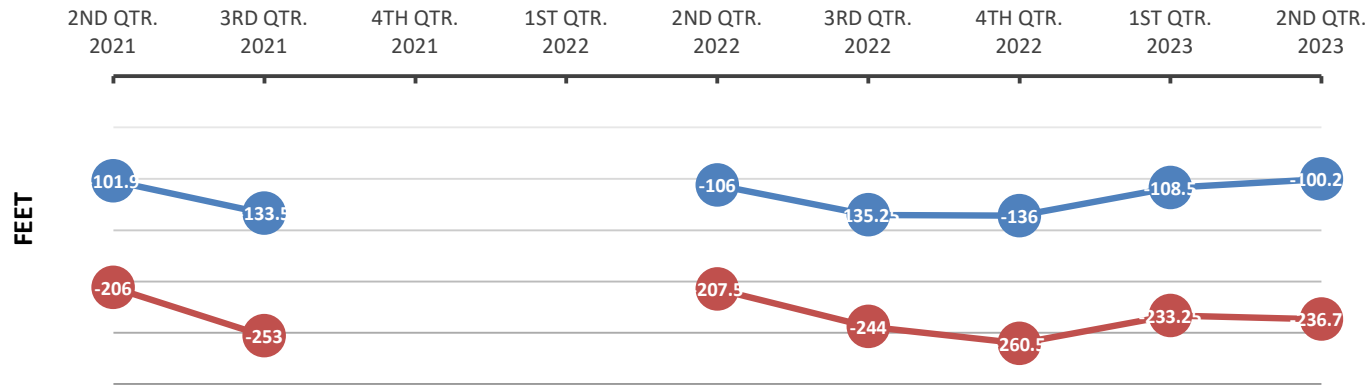
Static and Pumping Levels

Well 11D Dino



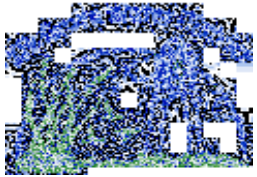
Latest Well Sounding

Static:	100.25 Ft
Pumping:	236.75 Ft
Drawdown:	136.5 Ft
GPM:	1,704
Specific Capacity:	12.486



Latest Sand Tester Results:

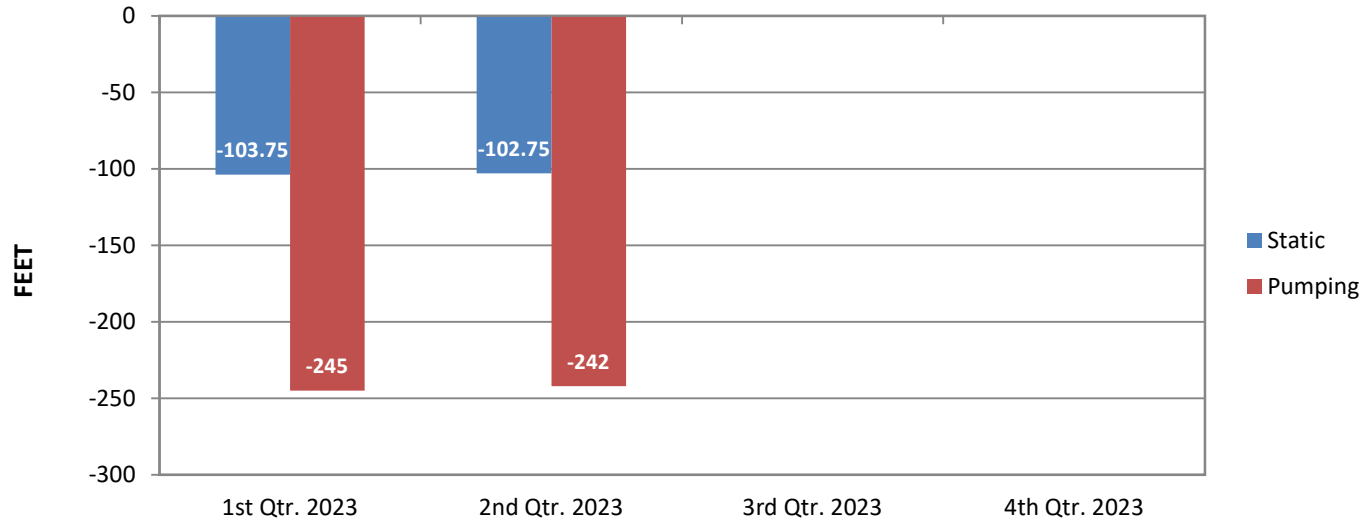
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

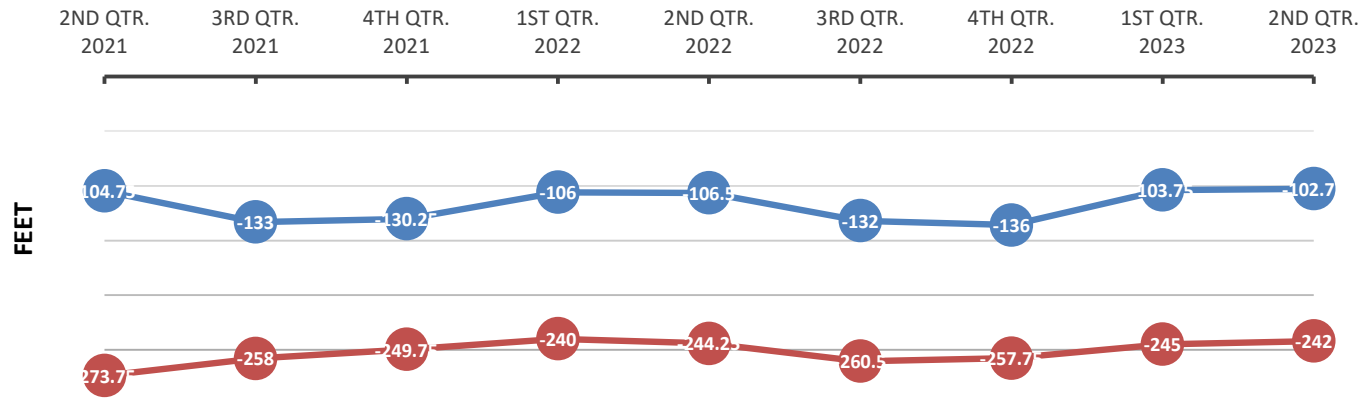
Well 14D Railroad



Latest Well Sounding

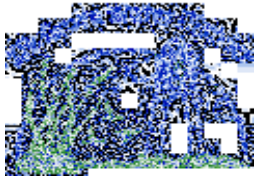
Static:	102.75 Ft
Pumping:	242 Ft
Drawdown:	139.25 Ft
GPM:	1,570
Specific Capacity:	11.277

Sounding Quarter/Year



Latest Sand Tester Results:

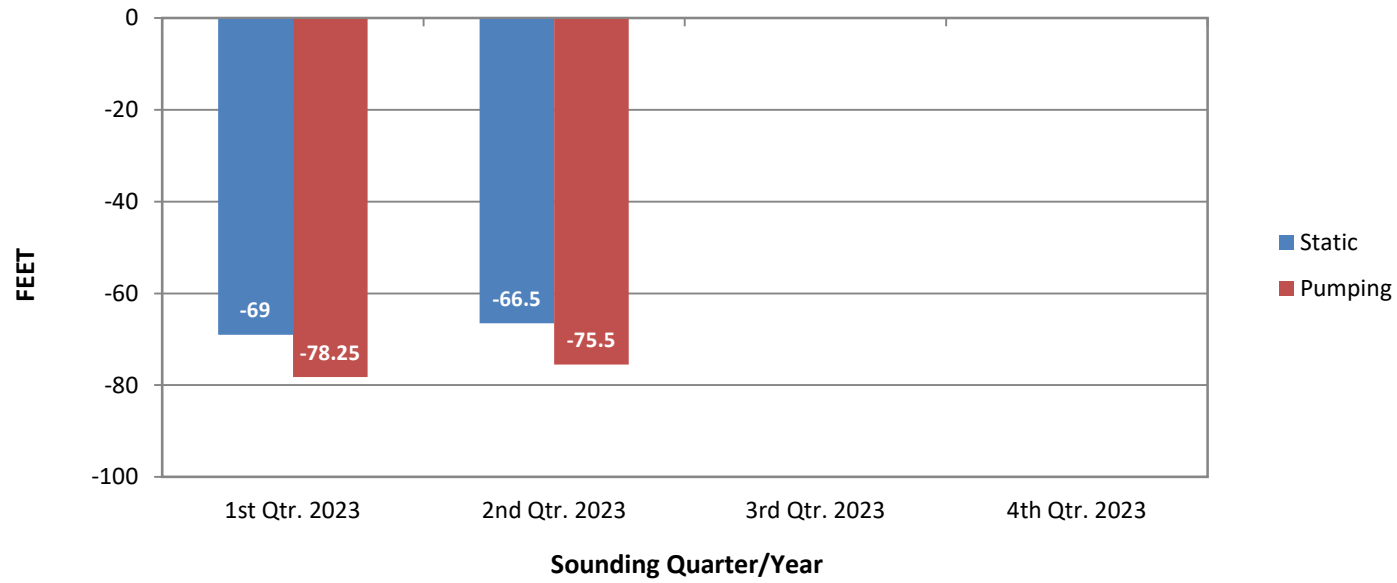
15 Min: < 5 ppm



Elk Grove Water District

Static and Pumping Levels

Well 8 Williamson



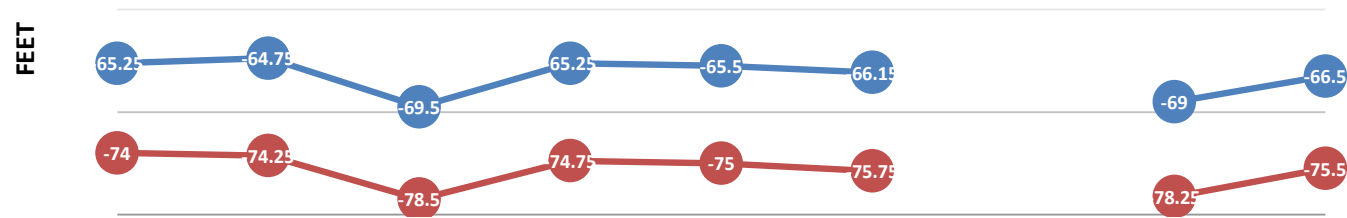
Latest Well Sounding

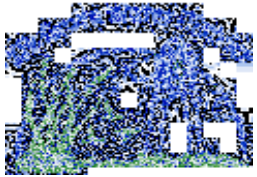
Static: 66.5 Ft
Pumping: 75.5 Ft
Drawdown: 9 Ft
GPM: 560
Specific Capacity: 62.212

2ND QTR. 2021 3RD QTR. 2021 4TH QTR. 2021 1ST QTR. 2022 2ND QTR. 2022 3RD QTR. 2022 4TH QTR. 2022 1ST QTR. 2023 2ND QTR. 2023

Latest Sand Tester Results:

15 Min: < 5 ppm

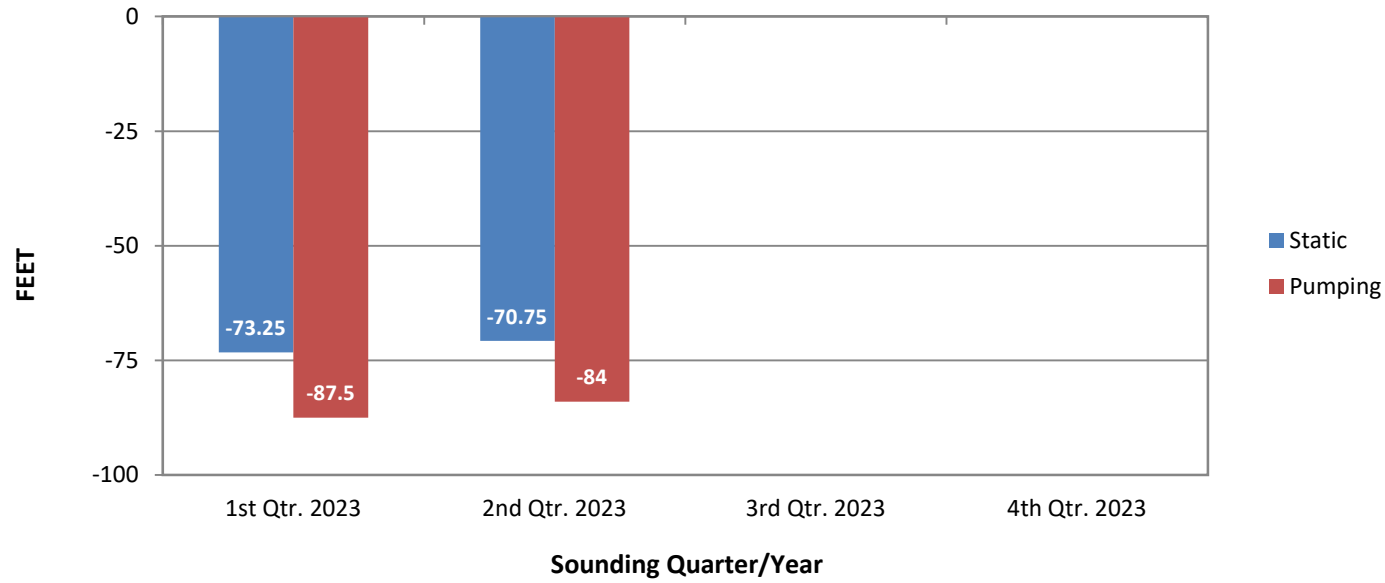




Elk Grove Water District

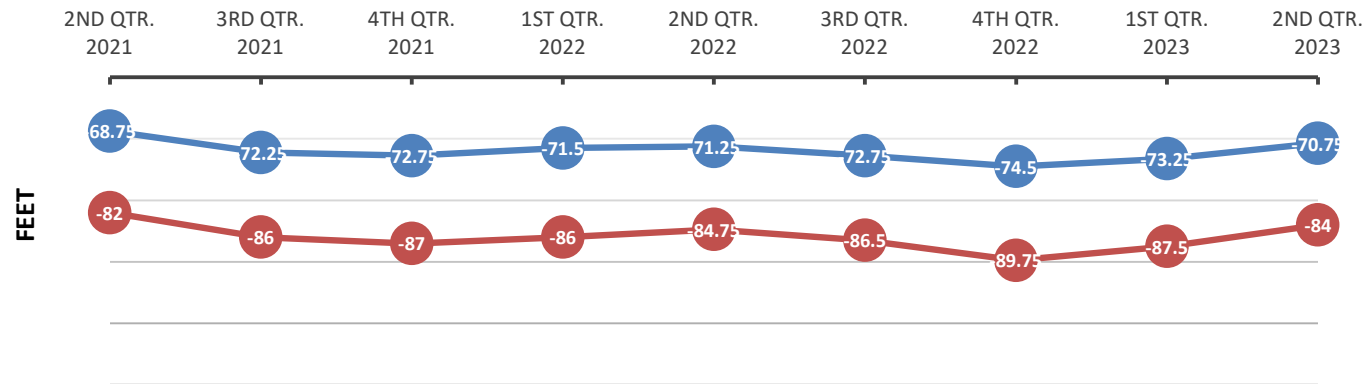
Static and Pumping Levels

Well 9 Polhemus



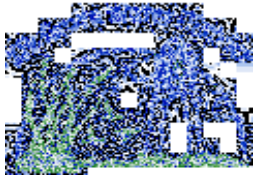
Latest Well Sounding

Static:	70.75 Ft
Pumping:	84 Ft
Drawdown:	13.25 Ft
GPM:	497
Specific Capacity:	37.537



Latest Sand Tester Results:

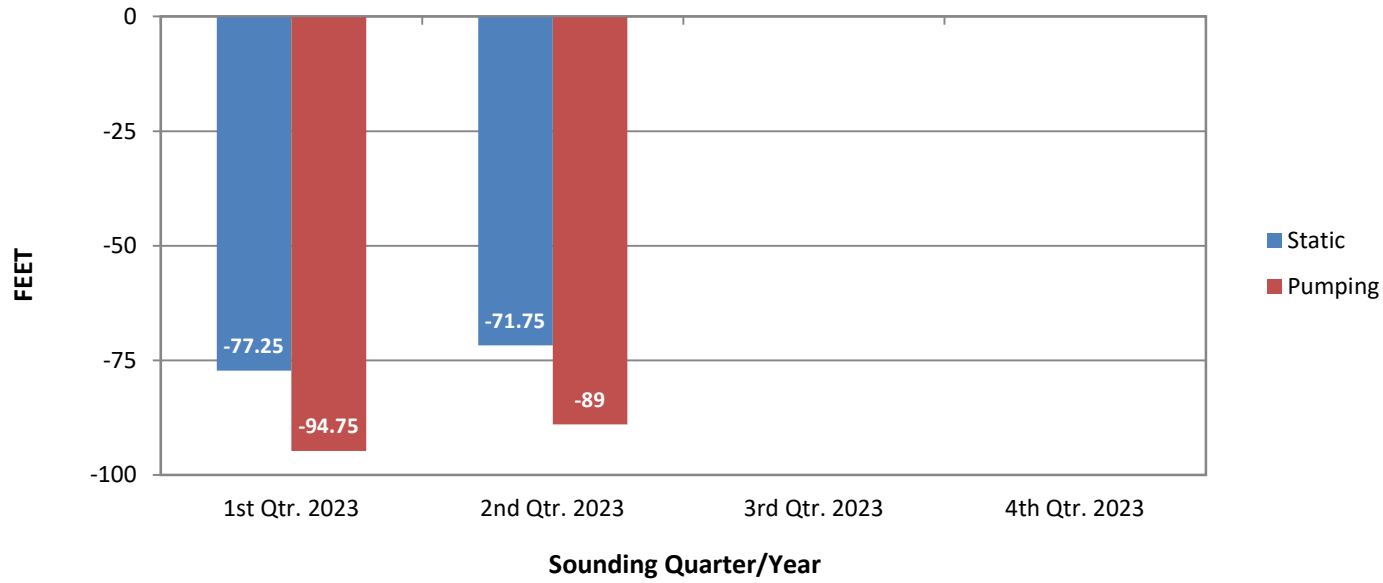
15 Min: < 5 ppm



Elk Grove Water District

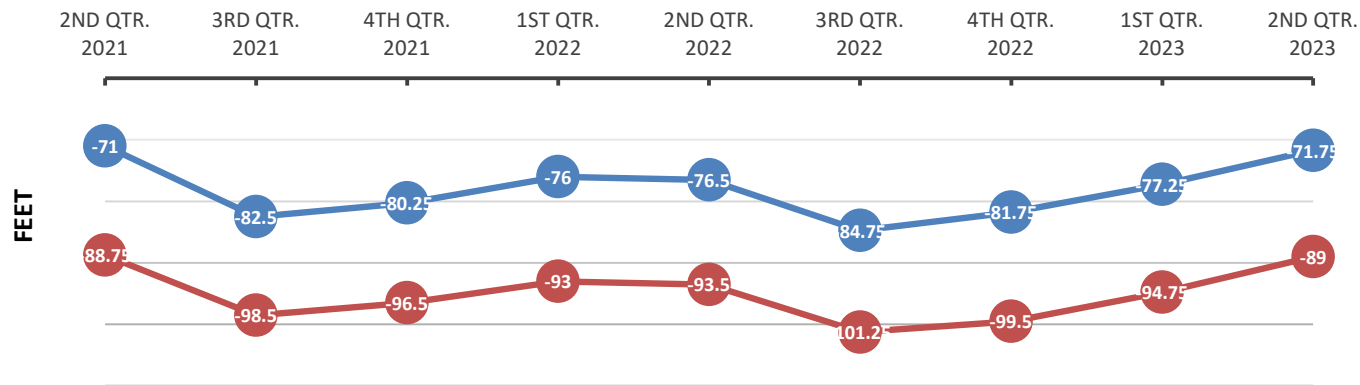
Static and Pumping Levels

Well 13 Hampton



Latest Well Sounding

Static:	71.75 Ft
Pumping:	89 Ft
Drawdown:	17.25 Ft
GPM:	969
Specific Capacity:	56.151



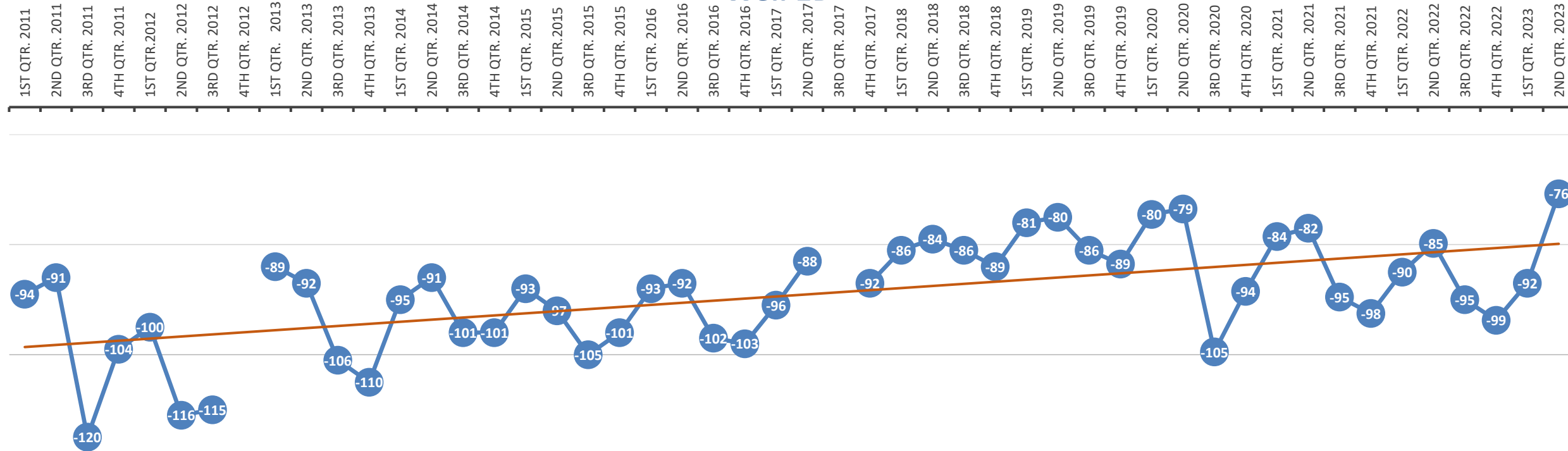
Latest Sand Tester Results:

15 Min:	< 5 ppm
---------	---------

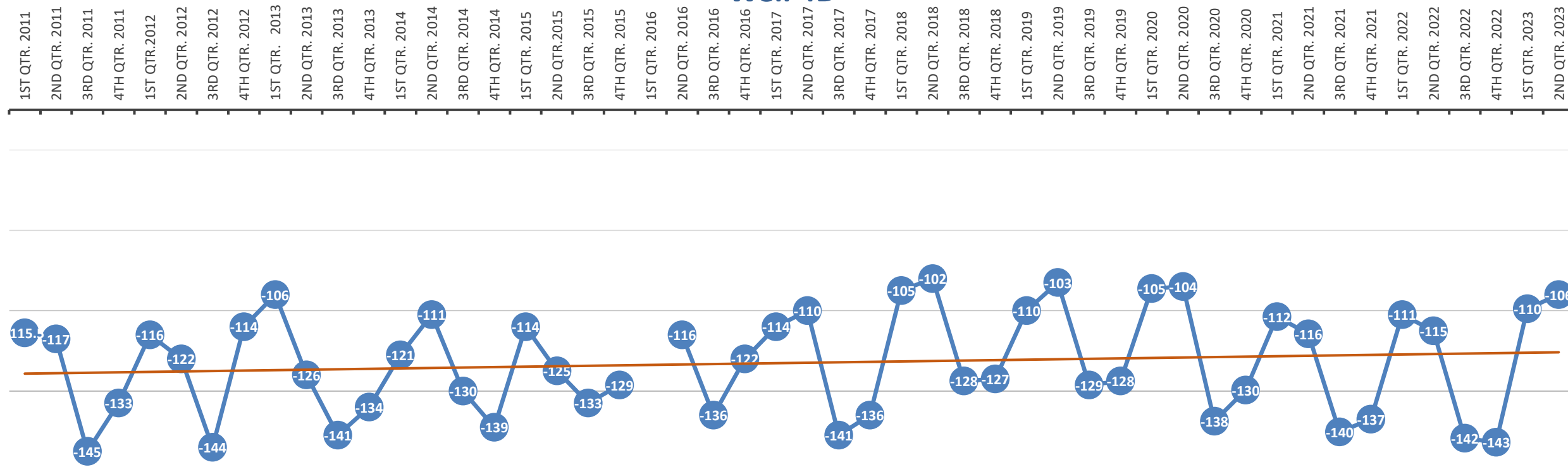


Historic Static Well Levels

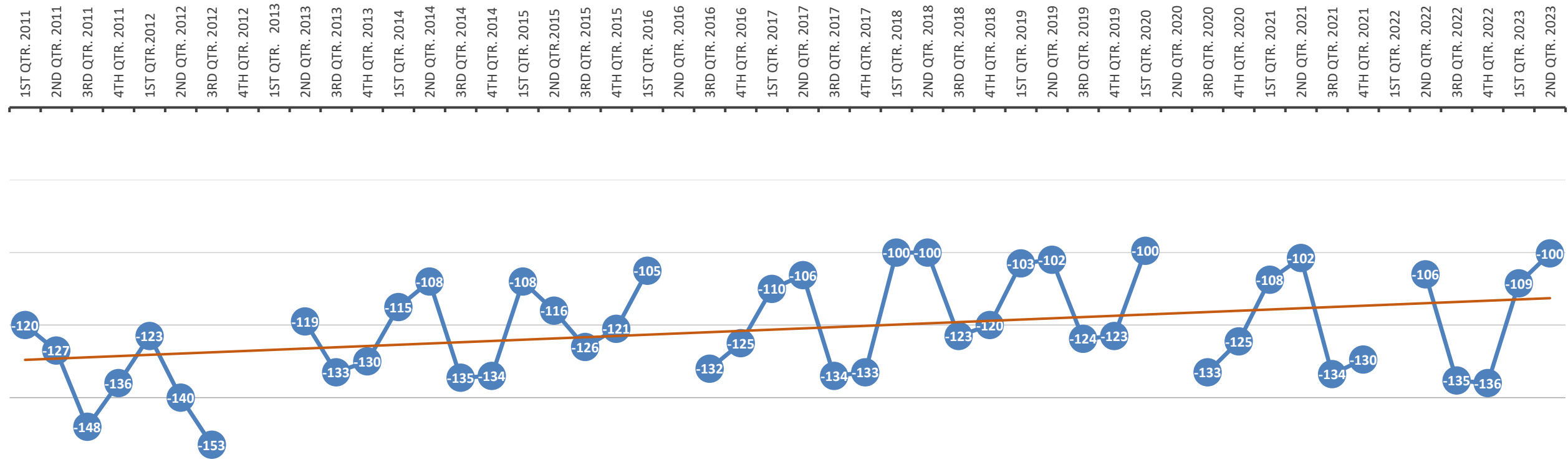
Well 1D



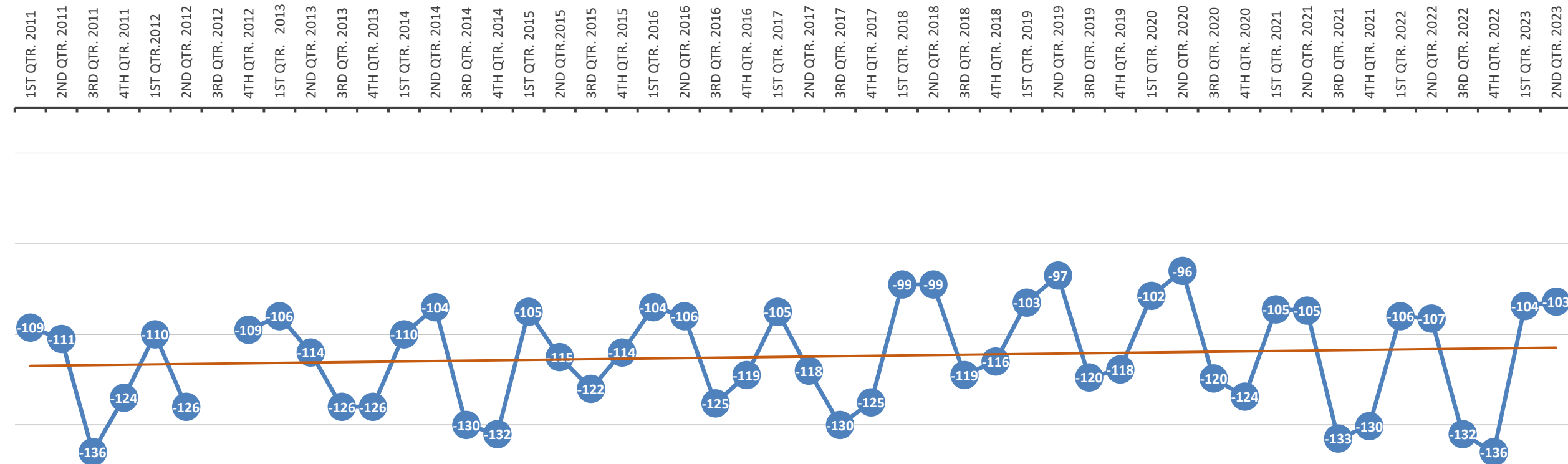
Well 4D



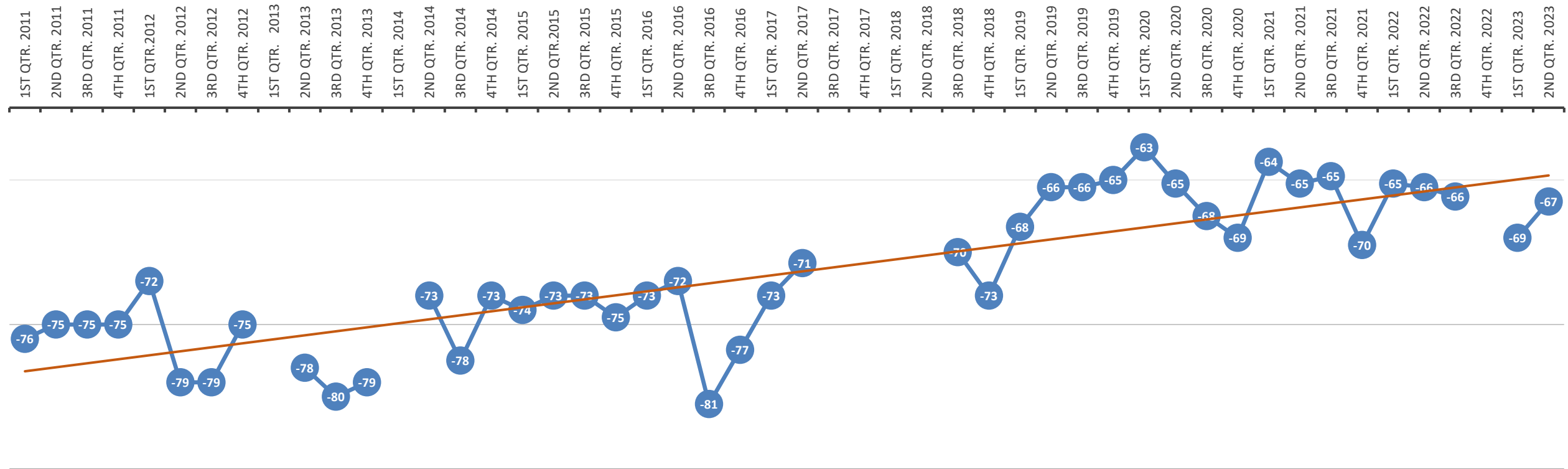
Well 11D



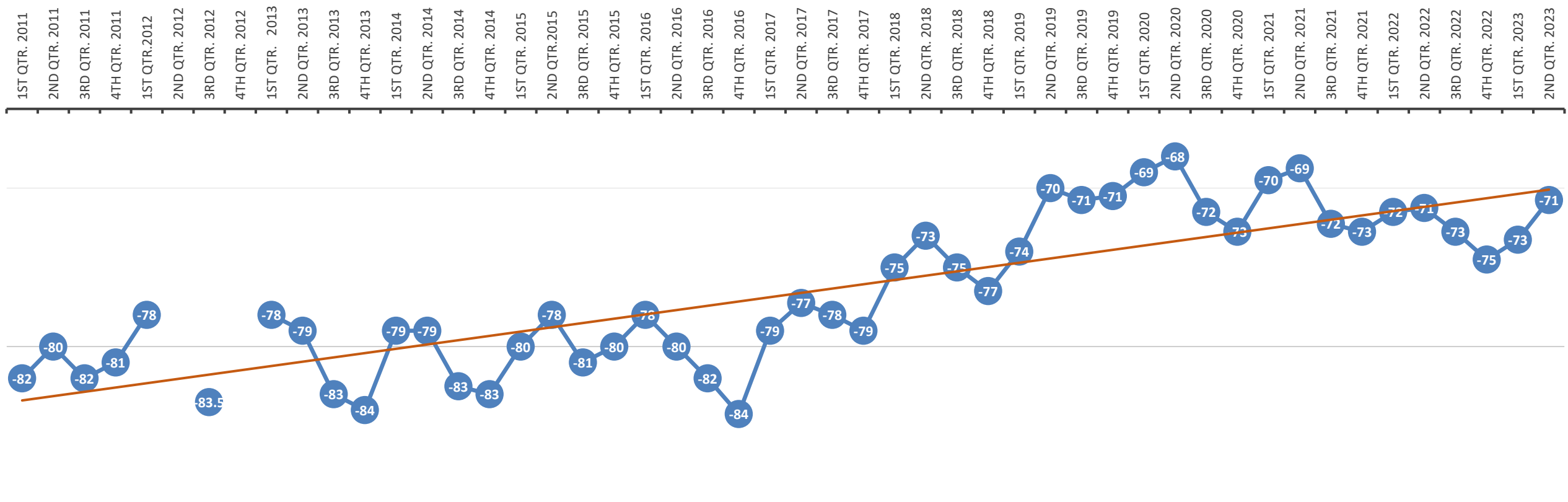
Well 14D



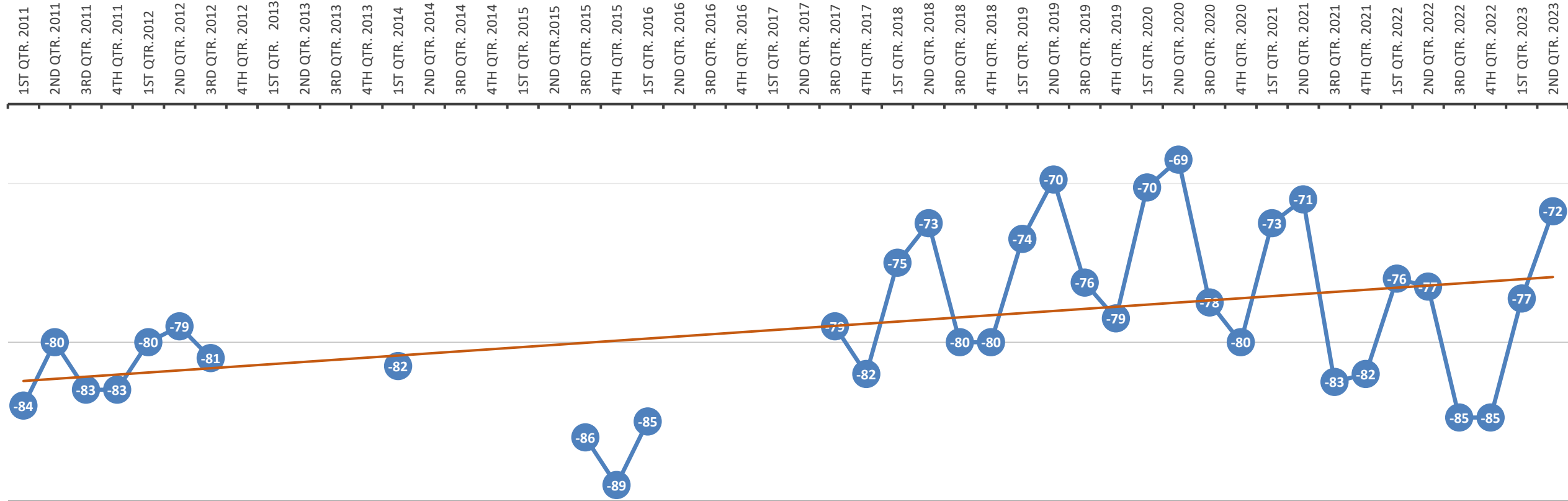
Well 8



Well 9



Well 13



Monthly Sample Report - June 2023
Water System: Elk Grove Water System

Sampling Point: 01 - 8693 W. Camden

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: School Well 01D - Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/15/2023	Source Water	3 mo - PFAS	Quarterly

Sampling Point: 02 - 9425 Emerald Vista

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: 03 - 8809 Valley Oak

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: Webb Well 04D - Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
			Quarterly

Sampling Point: 04 - 10122 Glacier Point

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: 05 - 9230 Amsden Ct.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: 06 - 9227 Rancho Dr.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: 07 - Al Gates Park Mainline Dr.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: - Williamson Well 8 Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
			Quarterly

Sampling Point: 08 - 9436 Hollow Springs Wy.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: Polhemus Well 9 Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
			Quarterly

Sampling Point: 09 - 8417 Blackman Wy.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week
6/6/2023	Distribution System	Fluoride	Week

Sampling Point: 10 - 9373 Oreo Ranch Cir.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: 11 - 9907 Kapalua Ln.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: 12-9205 Meadow Grove Dr.

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Distribution System	Bacteriological	Week
6/13/2023	Distribution System	Bacteriological	Week
6/20/2023	Distribution System	Bacteriological	Week
6/27/2023	Distribution System	Bacteriological	Week

Sampling Point: Dino Well 11D - Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
			Quarterly

Sampling Point: Hampton Well 13 - Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Source Water	Fe, Mn, As, Total	Weekly
6/12/2023	Source Water	Fe, Mn, As, Total	Weekly
6/19/2023	Source Water	Fe, Mn, As, Total	Weekly
6/26/2023	Source Water	Fe, Mn, As, Total	Weekly

Sampling Point: Hampton WTP Effluent

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Source Water	Fe, Mn, As, Total	Weekly
6/12/2023	Source Water	Fe, Mn, As, Total	Weekly
6/19/2023	Source Water	Fe, Mn, As, Total	Weekly
6/26/2023	Source Water	Fe, Mn, As, Total	Weekly

Sampling Point: Hampton WTP Backwash Tank

Sample Date	Sample Class	Sample Name	Collection Occurrence
--------------------	---------------------	--------------------	------------------------------

Sampling Point: Railroad Well 14D - Raw Water

Sample Date	Sample Class	Sample Name	Collection Occurrence
--------------------	---------------------	--------------------	------------------------------

Sampling Point: Railroad WTP Effluent

Sample Date	Sample Class	Sample Name	Collection Occurrence
6/6/2023	Treated Plant Effluent	Fe, Mn,As, Al	Monthly

Sampling Point: Railroad WTP Backwash Tank

Sample Date	Sample Class	Sample Name	Collection Occurrence
-------------	--------------	-------------	-----------------------

Sampling Point: Special Distribution/Construction Samples

Sample Date	Sample Class	Sample Name	Collection Description
6/29/2023	Distribution System	Bacteriological	9200 Locust St. New Mainline Install
6/29/2023	Distribution System	Bacteriological	9565 School St. New Mainline Install

<u>Colors</u>	<u>Monthly Total</u>	<u>Yearly Total</u>
Black = Scheduled	59	426
Green = Unscheduled	2	14
Red = Incomplete Sample	0	



July 5, 2023

Sacramento Regional County
Sanitation District
Environmental Specialist
10060 Goethe Rd.
Sacramento, CA. 95827

WASTEWATER DISCHARGE COMPLIANCE REPORT FORM

Enclosed is the Wastewater Discharge Compliance Report Form from Elk Grove Water District June 2023.

If you have any further questions, you may contact me at 916-585-9386

STEVE SHAW
WATER TREATMENT SUPERVISOR

SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (REGIONAL SAN)

COMPLIANCE REPORT FORM

Attn: Alex Burkert	E-mail: burkerta@sacsewer.com	Wastewater Source Control Section
Phone: (916) 875-6454		Fax: (916) 854-9286
From: Steve Shaw		
Company: Elk Grove Water District		Permit # WTP-010

Discharge Month:	June	Year:	2023
-------------------------	-------------	--------------	-------------

The following reports and information are attached (check all that apply):

	Location	Total Gallons
<input checked="" type="checkbox"/> Water use/flow meter report (If there is no discharge during the reporting period, this must be reported)	OF 1 Hampton WTP	1,101,716
	OF 3 Railroad WTP	0
	OF 5 Analyzer Water	34,560
	OF 6 Hampton (preapproval req))	0
	OF 7 Misc. (Preapproval req))	0

Monitoring results/analytical report(s)

pH (if measured); Grab Monitoring Data Review

The industry must review pH records. Report the minimum and maximum pH readings for the sampling month and report any non-compliance events.

Minimum pH _____ Maximum pH _____

Check one below:

Based on a review of this facility's pH data, pH has exceeded the discharge limits.

I certify that this facility has reviewed pH data and is in compliance.

Discharge Rate- CHECK ONE BELOW

OR Based on a review of this facility's flow data, the discharge rate limit was exceeded.

I certify that this facility is in compliance with the discharge rate limit.

Attached is a description of anticipated changes that may significantly alter the nature, quality, or volume of the wastewater discharged.

Flow monitoring equipment certification

Other (explain):

SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (REGIONAL SAN)

Domestic Calculation

Domestic Usage/ Employee Monthly Totals	Number of Full-time Equivalent* Employees	Business Days per Month	Allowance (gallons per day)	Gallons
Production	2	19	15	570
Office	3	19	10	570
Drivers/Field	13	19	3	741
Total				1,881

*FTE Equivalent: all employees' monthly hours added together and converted to a full-time employee count

Certification Statement

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations."

SIGNATURE of Authorized Representative:



PRINTED NAME, TITLE:

Steve Shaw Water Treatment Plant Supervisor

(Name)

(Title)

DATE:

July 5, 2023



July 3, 2023

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF DISTRIBUTION SYSTEM COLIFORM MONITORING

Enclosed is the Monthly Summary of Distribution System Coliform Monitoring report from Elk Grove Water District for June 2023.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read 'STEVE SHAW', is positioned above the printed name.

STEVE SHAW
WATER TREATMENT SUPERVISOR

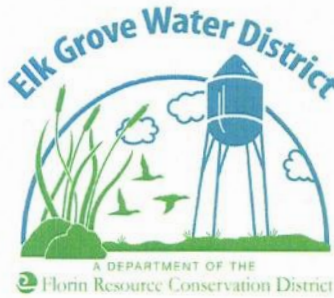
MONTHLY SUMMARY OF REVISED TOTAL COLIFORM RULE DISTRIBUTION SYSTEM MONITORING (including triggered source monitoring for systems subject to the Groundwater Rule)

System Name <p style="text-align: center; font-size: 1.2em;">Elk Grove Water District</p>	System Number <p style="text-align: center; font-size: 1.2em;">3410008</p>
Sampling Period <p style="text-align: center; font-size: 1.2em;">June</p>	Year <p style="text-align: center; font-size: 1.2em;">2023</p>

	Number Required	Number Collected	Number Total Coliform Positives	Number E.coli Positives
1. Routine Samples (see note 1)	48	48	0	0
2. Repeat Samples following samples that are Total Coliform Positive and <i>E.coli</i> Negative (see notes 10 and 11)		0	0	0
3. Repeat Samples following Routine Samples that are Total Coliform Positive and <i>E. coli</i> Positive (see notes 10 and 11)		0	0	0
4. Treatment Technique (TT)/MCL Violation Computation for Total Coliform/ <i>E. coli</i> Positive Samples				
a. Totals (sum of columns)	48	48	0	0
b. If 40 or more samples collected in month, determine percent of samples that are total coliform positive [(total number positive/total number collected) x 100] =	0	%		
c. Did the system trigger... a Level 2 Assessment TT? (see notes 2, 3, 4, 5 and 6 for trigger info)			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<i>If a Level 2 Assessment is triggered, see note 8 below.</i>				
a Level 1 Assessment TT? (see note 7 for trigger info)			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<i>If a Level 1 Assessment is triggered, see note 9 below.</i>				
5. Triggered Source Samples per Groundwater Rule (see notes 12 and 13)		0	0	0
6. Invalidated Samples (Note what samples, if any, were invalidated; who authorized the invalidation; and when replacement samples were collected. Attach additional sheets, if necessary.)				
7. Summary Completed By: Steve Shaw				
Signature 	Title <p style="text-align: center; font-size: 1.2em;">Water Treatment Supervisor</p>	Date <p style="text-align: right; font-size: 1.2em;">7.3.2023</p>		

NOTES AND INSTRUCTIONS:

1. Routine samples include:
 - a. Samples required pursuant to 22 CCR Section 64423 and any additional samples required by an approved routine sample siting plan established pursuant to 22 CCR Section 64422
 - b. Extra samples are required for systems collecting less than five routine samples per month that had one or more total coliform positives in previous month,
 - c. Extra samples for systems with high source water turbidities that are using surface water or groundwater under direct influence of surface water and do not practice filtration in compliance with regulations;
2. Note: For a repeat sample following a total coliform positive sample, any *E.coli* positive repeat (boxed entry) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
3. Note: For repeat sample following a *E.coli* positive sample, any total coliform positive repeat (boxed entry) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
4. Note: Failure to take all required repeat samples following an *E. coli* positive routine sample (22, CCR, Section 64426.1) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
5. Note: Failure to test for *E. coli* when any repeat sample tests positive for total coliform (22, CCR, Section 64426.1) **constitutes an MCL violation and requires immediate notification to the Division** (22, CCR, Section 64426.1).
6. Note: Second Level 1 treatment technique trigger in a rolling 12-month period.
7. Total coliform Treatment Technique (TT) Violation (**Notify Department within 24 hours of TT violation**):
 - a. For systems collecting less than 40 samples, if two or more samples are total coliform positive, then the TT is violated and a Level 1 Assessment is required.
 - b. For systems collecting 40 or more samples, if more than 5.0 percent of samples collected are total coliform positive, then the TT is violated and a Level 1 Assessment is required.
8. Contact the Division as soon as practical to arrange for the division to conduct a Level 2 Assessment of the water system. The water system shall complete a Level 2 Assessment and submit it to the Division within 30 days of learning of the trigger exceedance.
9. Conduct a Level 1 Assessment in accordance with as soon as practical that covers the minimum elements (22, CCR, Section 64426.8 (a), (2)). Submit the report to the Division within 30 days of learning of the trigger exceedance
10. Positive results and their associated repeat samples are to be tracked on the Coliform Monitoring Worksheet.
11. Repeat samples must be collected within 24 hours of being notified of the positive results. For systems collecting more than one routine sample per month, three repeat samples must be collected for each total coliform positive sample. For systems collecting one or fewer routine samples per month, four repeat samples must be collected for each total coliform positive sample. At least three samples shall be taken the month following a total coliform positive.
12. For systems subject to the Groundwater Rule: Positive results and the associated triggered source samples are to be tracked on the Coliform Monitoring Worksheet.
13. For triggered sample(s) required as a result of a total coliform routine positive sample, an *E.coli*-positive triggered sample (boxed entry) **requires immediate notification to the Division, Tier 1 public notification, and corrective action.** 37



July 5, 2023

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA. 95814

MONTHLY SUMMARY OF THE HAMPTON GROUNDWATER TREATMENT PLANT

Enclosed is the Monthly Summary of the Hampton GWTP report from Elk Grove Water District for June 2023.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written above the name.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Elk Grove Water District

Hampton GWTP Monthly Report

PWS Number 3410008-013
 GWTP Name Hampton Water Treatment Plant

Month: February

Date	Hour Meter	Run Hours	Production Meter	Well Production	Backwash Meter	Backwash Waste	Weekly In-House Monitoring (mg/L) R (Raw) T (Treated)As (ug/L)							Weekly Average			
							Date	Fe, R	Fe, T	Mn, R	Mn, T	As, R	As, T	Inf. pH	Eff. pH		
last day	25232.1		477118706		31467895	38383339											
1	25256	23.9	478483846	1365140	31500207	38420533	6/6/2023	0	0.026	0.012	0.006	12	2	Inf. pH Eff. pH			
2	25280.4	24.4	479871141	1387295	31532815	38458694	6/12/2023	0.009	0.003	0.004	0.003	13	2	Week 1: 7.0 to 7.0			
3	25302.6	22.2	481142135	1270994	31561714	38495960	6/19/2023	0	0.006	0.009	0.006	13	2	Cl2		1.01	
4	25326.2	23.6	482491781	1349646	31594168	38534225	6/26/2023	0.019	0.008	0.017	0.008	13	3	Week 2: 7.0 to 7.0			
5	25350.4	24.2	483872159	1380378	31626562	38572164								Cl2		0.98	
6	25374.4	24	485246055	1373896	31658916	38609931								Week 3: 7.0 to 7.0			
7	25398.5	24.1	486616568	1370513	31691211	38648657	Total Gallons Sodium Hypochlorite: 449.2 Gal					Cl2		1.05			
8	25422.1	23.6	487956448	1339880	31723626	38687079	Pounds per day 18.11 Lbs/Day					Week 4: 7.0 to 7.0					
9	25446.8	24.7	489362405	1405957	31756049	38725489	Dosage (Milligrams Per Liter @ 12.5% Cl) 1.8 mg/L					Cl2		1.06			
10	25470.3	23.5	490703825	1341420	31788496	38763734								Week 5: to			
11	25494.3	24	492072188	1368363	31820937	38802045	Total Gallons Ferric Chloride: 246.9 Gal					Cl2					
12	25518.7	24.4	493470572	1398384	31853407	38840371	Dosage (Milligrams Per Liter @ 38% FeCl) .65mg/L										
13	25542.4	23.7	494822788	1352216	31885786	38879025											
14	25566.6	24.2	496209113	1386325	31918326	38917715	Total Gallons Sodium Hydroxide: 320.6 Gal										
15	25590.4	23.8	497562694	1353581	31950871	38956626	Dosage (Gallons Per Hour @ 30% NaOH) 0.48 Gal/Hr										
16	25590.4	0	497562694	0	0	0											
17	25612.4	22	498820751	1258057	31983434	38990931	Total Gallons Sulfuric Acid : 264.1 Gal										
18	25636.7	24.3	500212257	1391506	32015848	39029085	Dose (Gallons Per Hour @ 93% H2SO4) 0.33 Gal/Hr										
19	25660.3	23.6	501556280	1344023	32048128	39064644											
20	25684.5	24.2	502941407	1385127	32077000	39102004	Total Backwashed 927,408 Gal				Total Run Hours 693.3Hours						
21	25708.7	24.2	504325214	1383807	32109377	39140002											
22	25732.4	23.7	505681955	1356741	32138282	39176536	Total Water Pumped 39,585,317 Gal				Total Backwash Waste 1,101,716 Gal						
23	25756.2	23.8	507039047	1357092	32170761	39213474											
24	25780.3	24.1	508417530	1378483	32199705	39251468	Reporting Limits/Units				Maximum Contaminant Levels (MCLs)						
25	25804.2	23.9	509778931	1361401	32232161	39290163	Iron = 0.100 mg/L				Iron (Fe) = 0.300 mg/L (Secondary)						
26	25828.3	24.1	511155364	1376433	32264793	39329491	Manganese = 0.010 mg/L				Manganese (Mn) = 0.050 mg/L (Secondary)						
27	25852	23.7	512512660	1357296	32297401	39368317	Arsenic = 1.0 µg/L				Arsenic (As) = 10 µg/L (Primary)						
28	25876.3	24.3	513900864	1388204	32330026	39407159											
29	25900.7	0	515294289	1393425	32362652	39446331											
30	25925.4	24.7	516704023	1409734	32395303	39485055	Prepared By: Steve Shaw				Date: 7/5/2023						
31																	
Total		693.3		39,585,317	927,408	1,101,716											



July 5, 2023

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, Ca. 95814

MONTHLY FLUORIDATION MONITORING REPORT

Enclosed is the Monthly Summary of the Fluoridation Monitoring from Elk Grove Water District for June 2023.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written above the name.

STEVE SHAW
WATER TREATMENT SUPERVISOR

ELK GROVE WATER DISTRICT AREA 2

DISTRIBUTION SYSTEM

MONTHLY FLUORIDATION MONITORING REPORT

June-23

Week	Location of Sample	Monitoring Results (mg/L)		
		Date	Time	Results
1	Hollow Springs	6/6/2023	9:31 AM	0.46
1	Kapalua	6/6/2023	9:53 AM	0.67
1	Al Gates Park	6/6/2023	10:20 AM	0.52
1	Oreo Ranch	6/6/2023	10:43 AM	0.59
1	Blackman	6/6/2023	12:16 PM	0.75
2	Hollow Springs	6/13/2023	10:06 AM	0.72
2	Kapalua	6/13/2023	10:24 AM	0.72
2	Al Gates Park	6/13/2023	10:54 AM	0.68
2	Oreo Ranch	6/13/2023	11:08 AM	0.84
2	Blackman	6/13/2023	12:15 PM	0.71
3	Hollow Springs	6/20/2023	10:29 AM	0.57
3	Kapalua	6/20/2023	10:51 AM	0.68
3	Al Gates Park	6/20/2023	11:08 AM	0.62
3	Oreo Ranch	6/20/2023	11:25 AM	0.78
3	Blackman	6/20/2023	12:31 PM	0.69
4	Hollow Springs	6/27/2023	9:47 AM	0.3
4	Kapalua	6/27/2023	10:08 AM	0.62
4	Al Gates Park	6/27/2023	10:24 AM	0.64
4	Oreo Ranch	6/27/2023	10:37 AM	0.68
4	Blackman	6/27/2023	11:47 AM	0.72
5	Hollow Springs			
5	Kapalua			
5	Al Gates Park			
5	Oreo Ranch			
5	Blackman			

Monthly fluoride split sample results:

Date: 6.6.2023

Water System Results: 0.75 mg/L

Approved Lab: 0.68 mg/L

Contact Name: Steve Shaw

Telephone : (916) 585-9386

System PWS Number: 3410008



July 3, 2023

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, CA 95814

**QUARTERLY REPORT FOR DISINFECTANT RESIDUALS COMPLIANCE
MONITORING**

Enclosed is the Quarterly Report for Disinfectant Residuals Compliance Monitoring from Elk Grove Water District for 2nd Quarter 2023.

If you have any further questions, you may contact me at 916-585-9386

A handwritten signature in blue ink, appearing to read 'Steve Shaw', is positioned above the name.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Quarterly Report for Disinfectant Residuals Compliance For Systems Using Chlorine or Chloramines

System Name: Elk Grove Water District Area 1

System No.: 3410008

Calendar Year: 2023

Quarter: 2nd

1st Quarter			
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)	
Previous Year	April	0.96	
	May	0.99	
	June	1.00	
	July	0.94	
	August	1.00	
	September	0.99	
	October	0.96	
	November	0.99	
	December	0.89	
	Current Year	January	35 0.81
		February	21 0.86
		March	35 0.86
Running Annual Average (RAA):		0.94	
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

2nd Quarter		
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)
Previous Year	July	0.94
	August	1.00
	September	0.99
	October	0.96
	November	0.99
	December	0.89
Current Year	January	0.81
	February	0.86
	March	0.86
	April	28 0.86
	May	35 0.83
	June	28 0.95
Running Annual Average (RAA):		0.91
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

3rd Quarter		
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)
Previous Yr	October	0.96
	November	0.99
	December	0.89
Current Year	January	0.81
	February	0.86
	March	0.86
	April	0.86
	May	0.83
	June	0.95
	July	28 0.87
	August	35 0.82
	September	28 0.84
Running Annual Average (RAA):		0.88
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

4th Quarter		
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)
Current Year	January	0.81
	February	0.86
	March	0.86
	April	0.86
	May	0.83
	June	0.95
	July	0.87
	August	0.82
	September	0.84
	October	35 0.84
	November	28 0.88
	December	28 0.88
Running Annual Average (RAA):		0.86
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Comments: The Elk Grove Water District is split into two different water systems. Area 1 water is produced and distributed by Elk Grove Water District.

Signature: _____

Date: July 3, 2023 **278**

Quarterly Report for Disinfectant Residuals Compliance For Systems Using Chlorine or Chloramines

System Name: Elk Grove Water District Area 2

System No.: 3410008

Calendar Year: 2023

Quarter: 2nd

1st Quarter			
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)	
Previous Year	April	1.19	
	May	1.21	
	June	1.17	
	July	1.14	
	August	1.13	
	September	1.09	
	October	0.94	
	November	0.87	
	December	0.89	
	Current Year	January	25
		February	15
		March	25
Running Annual Average (RAA):		1.10	
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

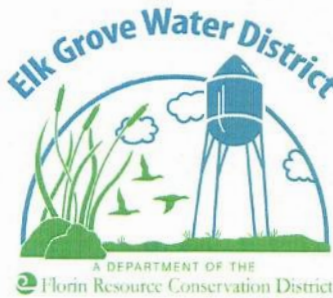
2nd Quarter			
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)	
Previous Year	July	1.14	
	August	1.13	
	September	1.09	
	October	0.94	
	November	0.87	
	December	0.89	
	Current Year	January	1.11
		February	1.20
March		1.20	
April		20	
May		25	
June		20	
Running Annual Average (RAA):		1.10	
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

3rd Quarter		
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)
Previous Yr	October	0.94
	November	0.87
	December	0.89
Current Year	January	1.11
	February	1.20
	March	1.20
	April	1.24
	May	1.20
	June	1.16
	July	20
	August	25
	September	21
	Running Annual Average (RAA):	
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

4th Quarter		
Month	Number of Samples Taken	Monthly Avg. Chlorine Level (mg/L)
Current Year	January	1.11
	February	1.20
	March	1.20
	April	1.24
	May	1.20
	June	1.16
	July	1.29
	August	1.20
	September	1.38
	October	25
	November	20
	December	20
Running Annual Average (RAA):		1.16
Meets standard? (i.e. RAA ≤ MRDL of 4.0 mg/L as Cl ₂)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Comments: The Elk Grove Water District is split into two different water systems. Area 2 is whole sale water from Sacramento County Water Agency.

Signature:



July 3, 2023

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento, Ca. 95814

QUARTERLY SUMMARY OF RAW GROUNDWATER COLIFORM MONITORING

Enclosed is the Quarterly Summary of Raw Groundwater Coliform Monitoring report from Elk Grove Water District for 2nd Quarter 2023.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written above the name.

STEVE SHAW
WATER TREATMENT SUPERVISOR

QUARTERLY SUMMARY OF RAW GROUNDWATER COLIFORM MONITORING

Samples must be taken prior to chlorination

Water System Name

Elk Grove Water District

Water System Number

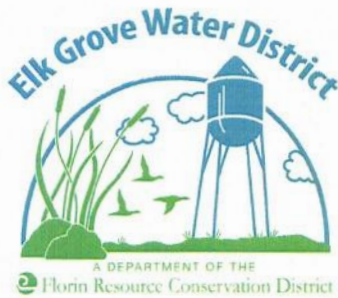
3410008

Sampling Period:

Month April - June 2nd Quarter

Year 2023

Well Name	Status (On/Off)	Sample Time & Date	Total Coliforms (P/A, CFU or MPN)	<i>E. coli</i> (P/A, CFU or MPN)
Well # 1D School St.	ON	4/25/2023 10:15	A	A
Well # 4D Webb St.	ON	5/16/2023 10:50	A	A
Well # 11D Dino Dr.	ON	4/4/2023 11:40	A	A
Well 14D Railroad St.	ON	4/25/2023 9:15	A	A
Well # 8 Williamson	ON	4/25/2023 11:15	A	A
Well # 9 Polhemus	ON	4/4/2023 12:40	A	A
Well # 13 Hampton	ON	5/9/2023 10:15	A	A



July 3, 2023

State Water Resources Control Board
Division of Drinking Water
1001 I Street
13th Floor
Sacramento CA. 95814

**QUARTERLY TTHM AND HAA5 REPORT FOR DISINFECTION BYPRODUCTS
COMPLIANCE**

Enclosed is the Quarterly TTHM and HAA5 Report from Elk Grove Water District for the 2nd quarter 2023.

If you have any further questions, you may contact me at 916-585-9386.

A handwritten signature in blue ink, appearing to read "Steve Shaw", is written over a light blue horizontal line.

STEVE SHAW
WATER TREATMENT SUPERVISOR

Quarterly TTHM Report for Disinfection Byproducts Compliance (in µg/L or ppb)

System Name: Elk Grove Water District System No.: 3410008 Year: 2023 Quarter: 2

Year:	2019				2020				2021				2022				2023			
Quarter:	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Sample Date (month/date):	1/15	4/9	7/16	10/22	2/4	4/7	7/14	10/6	1/19	4/6	7/6	10/5	1/11	4/5	7/12	10/11	1/17	4/11		
Site Q1 TTHM Results	45	38	0	1	1	31	0	3	1	40	0	0	38	25	0	6	44	39		
Lcn. Running Annual Average	45	42	28	21	10	8	8	9	9	11	11	10	20	16	16	17	19	22	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	21	10	1	16	8	9	1	21	10	10	19	22	16	9	23	32	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Site Q2 TTHM Results																				
Lcn. Running Annual Average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Site Q3 TTHM Results	2	0	0	1	2	2	1	2	2	1	1	0	0	7	0	0	1	2		
Lcn. Running Annual Average	2	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	1	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	1	0	1	2	1	1	1	1	1	1	0	3	2	2	1	1	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Site Q4 TTHM Results	3	1	0	0	2	3	0	1	1	1	1	0	3	5	0	0	1	3		
Lcn. Running Annual Average	3	2	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	1	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	1	0	1	2	1	1	1	1	1	1	1	3	2	1	1	2	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Quarterly Average	17	13	0	1	2	12	0	2	1	14	1	0	14	12	0	2	16	15	N/A	N/A
No. Samples This Quarter	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0	0

Identify the sample locations in the table below.

Site	Sample Location
Q1	9436 Hollow Springs
Q2	
Q3	8693 W. Camden
Q4	9230 Amsden Ct

Comments:

¹ Meets Standard - LRAA, calculated quarterly, is less than 80 ug/L
² Operation Evaluation Req'd - Projected LRAA, calculated quarterly, is greater than 80 ug/L


 Signature _____

July 3, 2023
 Date _____

*If, during the first year of monitoring, any individual quarter's average will cause the running annual average of that system to exceed the standard, then the system is out of compliance at the end of that quarter.

48

Quarterly HAA5 Report for Disinfection Byproducts Compliance (in µg/L or ppb)

System Name: Elk Grove Water District System No.: 3410008 Year: 2023 Quarter: 2

Year:	2019				2020				2021				2022				2023			
Quarter:	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Sample Date (month/date):	1/15	4/9	7/16	10/22	2/4	4/7	7/14	10/6	1/19	4/6	7/6	10/5	1/11	4/5	7/12	10/11	1/17	4/11		
Site Q1 HAA5 Results	29	28	0	0	0	19	0	0	0	21	0	0	31	12	0	0	34	24		
Lcn. Running Annual Average	29	29	19	14	7	5	5	5	5	5	5	5	13	11	11	11	12	15	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	14	7	0	10	5	5	0	11	5	5	16	14	11	3	17	21	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Site Q2 HAA5 Results																				
Lcn. Running Annual Average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Site Q3 HAA5 Results	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Lcn. Running Annual Average	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Site Q4 HAA5 Results	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Lcn. Running Annual Average	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Meets Standard? ¹ (check box)	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/>
Projected LRAA Next Quarter	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Op Evaluation Req'd? ² (check box)	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>	Yes <input type="checkbox"/>
Quarterly Average	10	9	0	0	0	6	0	0	0	7	0	0	10	4	0	0	11	8	N/A	N/A
No. Samples This Quarter	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0	0

49

Identify the sample locations in the table below.

Site	Sample Location
Q1	9436 Hollow Springs
Q2	
Q3	8693 W. Camden
Q4	9230 Amsden Ct

Comments:

¹ Meets Standard - LRAA, calculated quarterly, is less than 60 ug/L

² Operation Evaluation Req'd - Projected LRAA, calculated quarterly, is greater than 60 ug/L

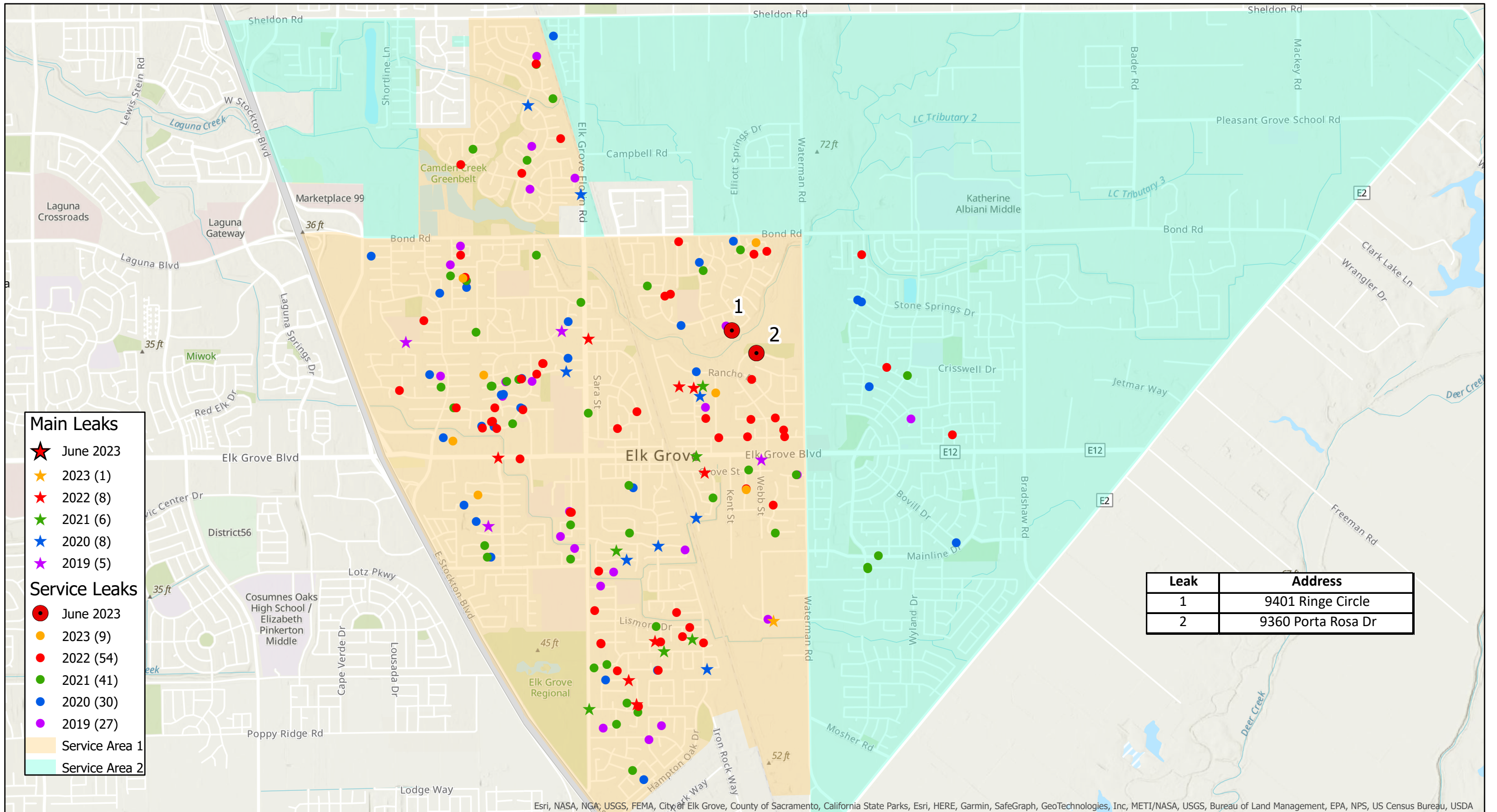

Signature

July 3, 2023
Date

*If, during the first year of monitoring, any individual quarter's average will cause the running annual average of that system to exceed the standard, then the system is out of compliance at the end of that quarter.

Elk Grove Water District
 Safety Meetings/Training
 June 2023

Date	Topic	Attendees	Hosted By
6/5/2023	Rushing to Get Work Done	Alan Aragon, Stefan Chanh, David Frederick, Aaron Hewitt, Sean Hinton, Brandon Kent, Justin Mello, Jose Mendoza, Sal Mendoza, Michael Montiel, Chris Phillips, Steve Shaw, John Vance, Brandon Wagner, Marcell Wilson	Steve Shaw & Sean Hinton
6/20/2023	Hazard Communication	Alan Aragon, Stefan Chanh, David Frederick, Jaylyn Gordon-Ford, James Hinegardner, Sean Hinton, Justin Mello, Jose Mendoza, Sal Mendoza, Michael Montiel, Chris Phillips, Steve Shaw, Brandon Wagner	Steve Shaw & Sean Hinton



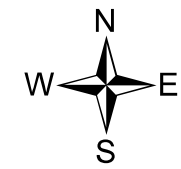
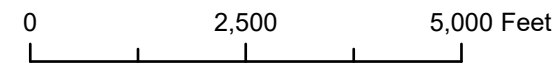
- Main Leaks**
- ★ June 2023
 - ★ 2023 (1)
 - ★ 2022 (8)
 - ★ 2021 (6)
 - ★ 2020 (8)
 - ★ 2019 (5)
- Service Leaks**
- June 2023
 - 2023 (9)
 - 2022 (54)
 - 2021 (41)
 - 2020 (30)
 - 2019 (27)
- Service Area 1
 Service Area 2

Leak	Address
1	9401 Ringe Circle
2	9360 Porta Rosa Dr

June 2023	
Main Line Leaks: 0	YTD: 1
Service Line Leaks: 2	YTD: 9
Total Leaks: 2	YTD: 10

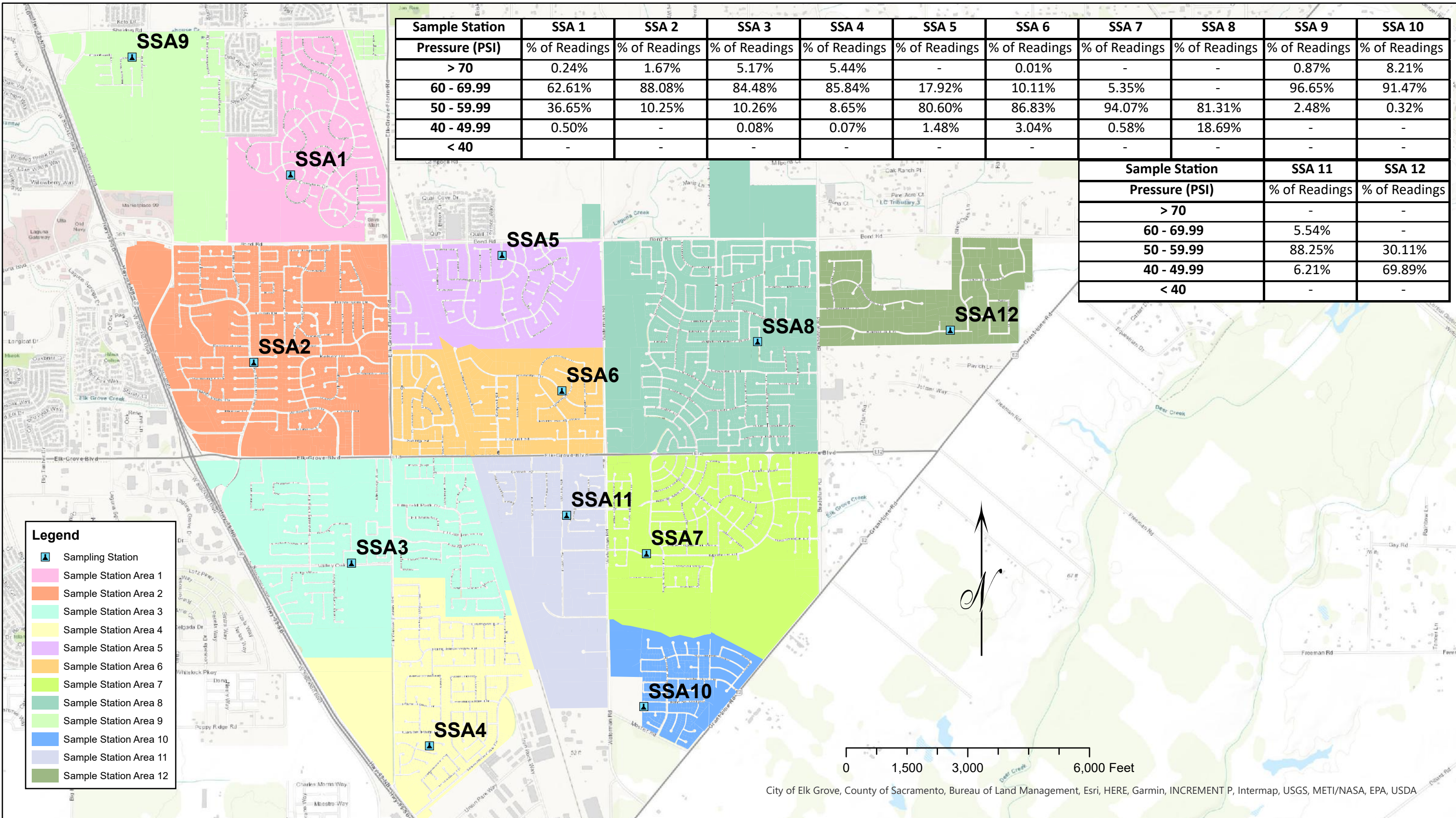


Elk Grove Water District Main and Service Line Leaks Map



Elk Grove Water District	
Main & Service Line Leaks	
Created by: Richard Ko	
Date: July 6, 2023	

Esri, NASA, NGA, USGS, FEMA, City of Elk Grove, County of Sacramento, California State Parks, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA



Sample Station	SSA 1	SSA 2	SSA 3	SSA 4	SSA 5	SSA 6	SSA 7	SSA 8	SSA 9	SSA 10
Pressure (PSI)	% of Readings	% of Readings	% of Readings	% of Readings	% of Readings	% of Readings	% of Readings	% of Readings	% of Readings	% of Readings
> 70	0.24%	1.67%	5.17%	5.44%	-	0.01%	-	-	0.87%	8.21%
60 - 69.99	62.61%	88.08%	84.48%	85.84%	17.92%	10.11%	5.35%	-	96.65%	91.47%
50 - 59.99	36.65%	10.25%	10.26%	8.65%	80.60%	86.83%	94.07%	81.31%	2.48%	0.32%
40 - 49.99	0.50%	-	0.08%	0.07%	1.48%	3.04%	0.58%	18.69%	-	-
< 40	-	-	-	-	-	-	-	-	-	-

Sample Station	SSA 11	SSA 12
Pressure (PSI)	% of Readings	% of Readings
> 70	-	-
60 - 69.99	5.54%	-
50 - 59.99	88.25%	30.11%
40 - 49.99	6.21%	69.89%
< 40	-	-

- Legend**
- Sampling Station
 - Sample Station Area 1
 - Sample Station Area 2
 - Sample Station Area 3
 - Sample Station Area 4
 - Sample Station Area 5
 - Sample Station Area 6
 - Sample Station Area 7
 - Sample Station Area 8
 - Sample Station Area 9
 - Sample Station Area 10
 - Sample Station Area 11
 - Sample Station Area 12

City of Elk Grove, County of Sacramento, Bureau of Land Management, Esri, HERE, Garmin, INCREMENT P, Intermap, USGS, METI/NASA, EPA, USDA

Sample Stations: 12

June 2023



Elk Grove Water District

Sample Station Areas

Projected Coordinate System: NAD 83 State Plane CA II FIPS 0402

Source: EGWD GIS Database

Modified by: Richard Ko

July 6, 2023