

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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August 4, 2010

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **Rio Linda/Elverta Community Water District – Municipal Service Review – Report Back (L AFC 07-10)**

RECOMMENDATION:

1. Receive and File Status Report.
2. Approve tentative project timeline and tasks.
3. Approve the Scope and content of the MSR.

DISCUSSION:

Staff has commenced the Rio Linda/Elverta Community Water District Municipal Service Review. The following actions have been taken:

On April 27, 2010 met with California Department of Public Health to discuss Compliance Orders related to the Rio Linda/Elverta Community Water District and to obtain background information.

June 8, 2010 met with Mychael Cardenas, Interim General Manager and Mary Harris, Board President to discuss the purpose and timeline for the District's MSR. Requested that the District complete the MSR questionnaire and return it to L AFCo by the first of August.

June 21, 2010 met with the Rio/Elverta Community District Board of Directors to explain the purpose of the Municipal Service Review.

June 25, 2010 received Rio Linda/Elverta Community Water District response to the Grand Jury investigation for informational purposes. A copy of the District's response is attached to this report.

August 1, 2010 anticipate receipt of MSR Questionnaire from Rio Linda/Elverta Community Water District

Next Steps and Tentative Project Schedule

<u>Date</u>	<u>Task</u>
August-September	Review and evaluate information from Rio Linda Elverta Community Water District. Send notice to interested parties, stakeholders, and community groups to provide comments and provide additional input on the MSR Questionnaire. Offer to meet with interested parties and stakeholders to solicit concerns and issues that should be addressed in the MSR. Hold two public workshops.
September-October	Complete Draft MSR and distribute to the public, interested parties, and stakeholders for review and comment.
October-November	Revise Draft MSR based on public input.
December, 1, 2010	Present Draft MSR and Determinations to the Commission.
January-February 2011	Prepare and present Final MSR to the Commission.

This is an ambitious schedule, considering the need to make extensive public outreach to the community and other stakeholders, however every attempt will be made to meet the schedule. Information and reports will be made available on LAFCo's web site at www.saclafco.org.

Interested Parties to be contacted:

- General community, rate payers, and customers
- Rio Linda Chamber of Commerce
- Rio Linda Community Planning Council
- Sacramento Suburban Water District
- Sacramento Metropolitan Fire District
- Rio Linda Recreation and Park District
- City of Sacramento
- Cal Am Water Company

Sacramento Water Forum Successor Effort
Sacramento Ground Water Authority
Sacramento Metropolitan water Authority
Sacramento County Water Agency
California Department of Public Health
Any other impacted party or agency

MSR Factors to be evaluated

The MSR will include the following information as required by Cortese Knox Hertzberg.

I. Growth and Population Projections

- A. Current population
- B. Projected population growth
- C. Current water demand
- D. Projected water demand
- E. Current water supply and water quality
- F. Projected water supply and water quality

II. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs and deficiencies

- A. Present capacity and infrastructure related to public facilities
 - i. Groundwater basin-water source
 - ii. Wells
 - iii. Distribution lines
 - iv. Transmission lines
 - v. Storage facilities
 - vi. Water pressure/fire flows
 - vii. Water quality
 - viii. Water meters
 - ix. Water conservation efforts
 - x. Urban groundwater management planning efforts
 - xi. Water leaks and interruptions
 - xii. Compliance with the Water Forum Agreement
 - xiii. Draught preparedness and emergency plans
 - xiv. Water treatment requirements
 - xv. Cooperative Conjunctive Use Efforts

- B. Analysis of infrastructure needs of the above including:
 - i. Water Master Plan
 - ii. Type and cost of required capital improvements
 - iii. Financing and time schedule to construct capital improvements

III. Financial ability of agencies to provide services

- A. Current rates
- B. Impact to rates related to capital improvement costs
- C. Comparison of operation and maintenance costs with peer agencies
- D. Comparison of administrative costs
- E. Connection fees
- F. Annual Budget
- G. Annual Income and Expense Statement
- H. Capital Reserves
- I. Debt and Debt Service Costs

IV. Opportunities for shared facilities

- A. Evaluate the District's ability to share resources and coordination efforts with surrounding water providers e.g. the "1998 Cooperative Transmission Pipeline".
- B. Interties and connections with other water providers for backup water

V. Accountability for community service needs, including governmental structure and operational efficiencies

- A. Review and analyze management practices.
 - i. District Elections for Board of Directors
 - ii. Board of Directors Practices and Policies
 - iii. Employee Pay and Pensions
 - iv. Financial Reporting Practices
 - v. Purchasing Practices
 - vi. Meetings and Public Accessibility

VI. Any other matter related to the effective or efficient service delivery, as required by the Commission

- A. Evaluate the progress of the District in complying with the California Public Health Compliance Orders.

VII. MSR Conclusion and Determinations

The above outline of the issues and factors to be included in the MSR may be amended to include issues and concerns raised during the public outreach phase of this project schedule. Monthly updates will be provided to the Commission.

Respectfully,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer
Cc: Rio Linda/Elverta Community Water District

Attachment: Rio Linda/Elverta Community Water District response to the Sacramento County Grand Jury