

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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October 5, 2011

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

RECOMMENDATION

1. Receive and file status report.

DISCUSSION

This report summarizes the actions, developments, and events related to the Rio Linda Elverta Community Water District that have occurred since August 3, 2011.

On September 14, 2011, a meeting was held with Director Frank Caron, Mary Henrici, General Manager, Nancy Miller, Don Lockhart, and Peter Brundage to discuss the following issues:

I. Status of Recall Election

A draft petition has been submitted to the Registrar of Voters. The Registrar of Voters is reviewing the draft language before the petition can be circulated to obtain signatures. 25 percent of the registered voters within the District must sign the petition within 90 days before a recall election can be set. The Registrar of Voters must verify the signatures and set the election. If the petition qualifies for an election, RLECWD will be charged to cover the cost of the election. The cost of a special election is estimated to be \$60,000 to \$80,000.

II. Progress of Well Construction

Well No. 15

The well can produce approximately 2,800 gpm. The water quality is good and no treatment will be required. Test results have been submitted to CDPH. The higher than expected capacity will require the District to upgrade the discharge piping in order to distribute the higher production capacity of this well. The depth of this well is located in the mid-aquifer.

Construction of the production well should be complete by the Spring of 2012. The District needs to comply with applicable wetland construction permits and requirements. Documentation and fees have been submitted to the regulatory agencies for approval. Once permits are issued, the well and pipeline can be completed.

The District has issued a Request for Proposal to obtain bids to construct the pipeline from the well to the District's pipeline infrastructure. The District is trying to commence and complete construction of the new pipeline prior to construction restrictions imposed by Federal regulations which precludes soil disturbance between October 15th and March 15th.

Well No. 14

The District is evaluating whether or not to construct a test well on Well Site No. 14 at the same depth as Well 15 to determine if the water quality at this existing location would not require treatment. The District is meeting with California Department of Public Health to determine if it will be possible to amend the scope of work and funding agreement to construct another well on this site in lieu of Well No. 16. The District is required to submit required information to CDPH by October 10, 2011. See attached letter from CDPH dated September 6, 2011.

The District may be required to provide updated design plans, environmental documentation and other information to CDPH. The cost has not been determined and is not part of the current funding agreement. Consequently, the District may have to fund these studies from other sources.

Well No. 16 and 17

Well No. 16 will not be purchased by the District. The property owner has rescinded their offer to sell a well site to the District. The District has paid for and completed the required studies, and consequently, these costs will have no value.

Well No. 17 may not be an appropriate well site because it is relatively small and located between two residential houses that are on septic systems. The District is evaluating its options. Also, this site has not yet been purchased by the District.

III. Status of CDPH Compliance Orders

This District has provided the CDPH with the required reports and currently, there are no outstanding issues. The District plans to flush the water lines this fall as part of on-going scheduled system maintenance. CDPH has completed a Bi-Annual inspection of the District's facilities. This report is not yet available but it indicates that CDPH did not find any significant issues with the water system. We have requested a copy of the final report when it is available.

IV. Sacramento Suburban Water District Interconnection

The interconnection between Sacramento Suburban Water District and Rio Linda Elverta Community Water District has been converted to an automatic valve. If water pressure in the Rio Linda Elverta Community Water District falls below 31 psi the valve opens to maintain minimum water pressure in the RLECWD system. The valve will close automatically if water pressure exceeds 35 psi.

The valve has only been activated a few times during the last several months indicating the District has been able to maintain water pressure during the critical summer months.

Basically, water pressure and quality remain adequate.

V. Status of District Operations

District Financial Condition

The FY 2009-10 Financial Audit has not yet been completed. The audit is underway. The District is still having a hard time getting financial information and records taken by the Grand Jury and District Attorneys Office to complete reconciliation of accounting information. No additional information is available.

The District recently paid most of its past due bills. However, as a result, the District has only approximately \$20,000 in reserves.

The District is still attempting to reconcile how much should be in the capital construction fund and its General Fund, i.e. was money taken from the Capital Construction Fund and transferred to the General Fund and used for operation and maintenance expenses.

The District continues to incur significant legal expenses every month. This has been a difficult issue to resolve because of the contract terms.

Staffing and Employee Relations

The District is still negotiating a Memorandum of Understanding to reach an agreement with the Union and is currently operating under the Last, Best and Final offer. The

District and Union continue to negotiate an agreement. No final agreement has been reached.

Mary Henrici has completed a salary and benefit survey that indicates the District is not paying competitive salary and benefits. This could have an impact on recruitment of staff. The District is currently exploring ways to fill a required water conservation specialist part-time position.

Pending Litigation

The Dillon litigation has been resolved and the District received reimbursement of approximately \$102,000 from their insurance carrier to cover legal costs to defend the lawsuit.

The Joe Sherrill legal costs will be covered by their insurance carrier, however, any settlement or payment will be paid by the District if a judgment is issued in favor of the plaintiff.

VI. District Operations

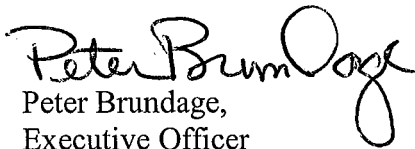
A manager's report as of August 15, 2011 is attached highlighting the status of various district operations. Routine well site inspections are being made in order to keep on top of problems and in order to implement preventative maintenance activities.

VII. Next Steps

LAFCo staff will continue to work with CDPH and the District to monitor the situation.

Respectfully Submitted;

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION


Peter Brundage,
Executive Officer

cc: Board of Directors and General Manager RLECWD
California Department of Public Health
Sacramento Grand Jury



State of California—Health and Human Services Agency
California Department of Public Health



EDMUND G. BROWN JR.
Governor

September 6, 2011

PWS No.: 3410018

Ms. Mary Henrici
General Manager
Rio Linda Elverta Community Water District
P.O. Box 400
Rio Linda, CA 95673

**RE: REQUEST TO CHANGE SCOPE OF WORK FOR FUNDING AGREEMENT NO.
SRF11CX107**

Dear Ms. Henrici:

Thank you for submitting your request to the California Department of Public Health (CDPH) on August 18, 2011 to change the scope of work for the Rio Linda Elverta Community Water District's (District's) SRF Funding Agreement. The District is requesting to substitute Well 16 with a replacement at Well 14, and expand the scope of work for Well 15 with additional pipeline improvements. CDPH agrees in concept with the pipeline improvements for Well 15 and Replacement Well 14. We understand that you are also still continuing your plans for Well 17.

Well 15 which was originally evaluated to provide 2,000-gpm, now has an estimated potential to sustain a 2,800-gpm capacity. We have reviewed the technical memo regarding the pump tests for Well 15 and concur with the 2800-gpm rating. We understand that the pipelines from Well 15 will need to be upgraded in size. Will the size of the pump motor be upgraded as well? Salvador Turrubiarres will work with Sara Rodgers reviewing the plans for the additional pipeline improvements.

Before a permit amendment and an amendment to Funding Agreement SRF11CX107 can be acted upon for both pipe improvements and site relocation, CDPH requires:

1. Project Plan (Scope of Work) for all improvements.
2. A Subsequent Initial Study/Mitigated Negative Declaration for Replacement Well 14 filed with the Office of Planning and Research, a stamped Notice of Determination, a Resolution adopting the Subsequent Initial Study/Mitigated Negative Declaration, a Federal Cross-Cutting Worksheet, and a Biological and Cultural Report for Replacement Well 14, with cc to Bridget Binning.
3. Detailed cost estimate of all items to be in the funding agreement and estimate of impacts to overall project cost.

4. Revised Budget & Expenditure sheet.
5. Revised Permit Amendment Application.
6. Plans and Specs for new pipes associated with Well 15.
7. Plans and specifications for Replacement Well 14. In addition, we will need to see and approve your Replacement Well 14 test site and proposed site.

Please provide all information to CDPH by October 10, 2011, or provide proposed dates of delivery for those items you cannot deliver by October 10, 2011.

If you have any questions, please contact Salvador Turrubiarres at (916) 552-9998 or salvador.turrubiarres@cdph.ca.gov.

Sincerely,



Roxanne Cargill, P.E.
Sacramento District Engineer
Drinking Water Field Operations

Cc: Courtney Caron, Board President
Rio Linda Elverta Community Water District

Peter Brundage, Executive Officer
LAFCo.

Richard Hinrichs, P.E.
Regional Engineer

Kim Wilhelm, P.E., Chief
Technical Programs Branch

Salvador Turrubiarres
Sanitary Engineer

Bridget Binning
Environmental Scientist

Annette C. Dobie
Fiscal Services Unit

Manager Report

For August 15, 2011 meeting

I will be on vacation from August 18 thru August 22, 2011. Mr. Goyet will be in charge of field operations and Ms. Schiavone will in charge of office duties. I will also be available by phone in case of emergency.

July 14, 2011 Went to Regional Water Authority meeting. They were celebrating their 10th anniversary as an organization. The meeting was held at Sacramento Suburban's offices. They mainly gave a history of how the organization was founded and all of the great things they have done since the agencies inception.

Later that day I met with the Neopost people who we lease our postage equipment from. Our lease is for another 4 years and we discussed how to get the equipment to do bulk mailing so we can receive the better postage rates. They later provided me with the cost to install a program on their equipment which is several thousand dollars. Needless to say we are going another route. Our billing program also has the ability to sort the invoices in the correct way so we can receive the better postage rate but the 4 digit zip codes need to be added to all of the addresses before we can take advantage of their program.

July 19, 2011 I met with Lafco and State Health regarding the current status of the District. I presented them my past two Managers Reports and discussed several items of concern with our District including Well 15, 16 and 17 project progress, micromanaging, and staff fulfillment of Compliance Order requirements. They seemed happy with our progress although there was concern about site 16 status and site procurement issues. We were directed by California Department of Health Services to try to proceed with site 16 monitoring well before the cutoff date of 8-15-11 if possible to avoid a change order to the project. With this direction from State Health the following meetings happened: The engineers contacted the drillers and they said they could hold to their original price. The drillers met at our office on 8-1-11 with the engineers and myself and discussed details and timelines to get the monitoring well done in the timeline that we were told was available. The drillers then asked to see the site and were brought out to the property as we were informed that Ms. Dyer had agreed to extend our contract until 8-15-11. She does not answer her phone and there were very large dogs in both her front and back yards. I tried to yell at her to get her attention in the house but to no avail. So we left an engineer by her house and viewed the site. She came out very upset and said she would call the police if we did not leave. I immediately instructed everyone to leave except the person who drove me there. I talked to Ms. Dyer for a bit I told her that I had been informed that she would give us until 8-15-11 to do a monitoring well on her property and the people who were out here were the drillers who would do the work. She said there was no longer an agreement between our agency and herself as of a week and a half ago. I said that I had been misinformed and that we were having a board meeting that night so I would tell the Board then.

August 1 thru August 31 (Continued)

Turn On Service - 5

Backflow - 1

August 9 thru September 13

8/9/11 - HQ maintenance, well rounds, well site painting, backflow program administration, report work, routine samples, vehicle maintenance

8/10/11 - Well rounds, well site painting, HQ maintenance, well 15 project work, well site maintenance, vehicle maintenance, backflow program administration, work orders, usa's, board packet delivery

8/11/11 - Well rounds, well site painting, work orders, usa's, vehicle maintenance, lead & copper sample customer bottle delivery

8/12/2011 - Vehicle maintenance, HQ maintenance, well rounds, well site painting, HQ Meeting

8/13/11 - Saturday - Well rounds

8/14/11 - Sunday - Well rounds

8/15/11 - HQ meeting, well rounds, backflow program administration, well site painting/ maintenance, work orders,usa's

8/16/11 - Well rounds, routine samples, distribution repair S Street

8/17/11 - Well rounds, well site painting, HQ maintenance, work orders, usa's, HQ paperwork

8/18/11 - Well rounds, well site maintenance, CDPH annual inspection, work orders, usa's

8/19/11 - Well rounds, vehicle maintenance, backflow program administration

8/20/11 - Saturday - Well rounds

8/21/11 - Sunday - Well rounds

8/22/11 - Well rounds, HQ maintenance, work orders, usa's

8/23/11 - Well rounds, distribution repair 26th Street, routine samples, sample bottle pick up at BSK

8/24/11 - Well rounds, dsitribution repair Kenora Ave, lead & copper customer sample pick up/delivery to BSK, source water samples, well site painting, work orders, usa's

8/25/11 - Well rounds, well site painting, backflow program administration, work orders, usa's

8/26/11 - Saftey meeting, well rounds, well site painting, backflow program administration, work orders, usa's

8/27/11 - Saturday - Well rounds

8/28/11 - Sunday - Well rounds

8/29/11 - Well rounds, well site maintenance, backflow program testing, work orders, usa's

8/30/11 - Well rounds, well site painting, routine samples, backflow program testing, work orders, usa's

8/31/11 - Well rounds, backflow program testing, distribution repair I Street, HQ maintenance, work orders, usa's

9/1/11 - Well rounds, well site painting, backflow program testing, work orders, usa's

9/2/11 - Well rounds, backflow program testing, work orders, well site painting, usa's

9/3/11 - Saturday - Well rounds

9/4/11 - Sunday - Well rounds

9/5/11 - Monday - Holiday - Well rounds

9/6/11 - Well rounds, 48 hour disconnect tags, HQ maintenance

9/7/11 - Well rounds, routine samples, backflow program testing, work orders, usa's

9/8/11 - Well rounds, distribution repair Fallon Woods Way, distribution repair 16th Street, backflow program testing, HQ paperwork

9/9/11 - Saftey meeting, well rounds, well site painting, backflow program testing

9/10/11 - Saturday - Well rounds

9/11/11 - Sunday - Well rounds

9/12/11 - HQ Meeting, well rounds, customer disconnect/reconnects

9/13/11 - Well rounds, routine samples, check customer disconnects, meter reading

RIO LINDA/ELVERTA C.W.D. 2011

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
36.4	31.8	34.7	47.8	76.4	95.4	
36,400,670	31,773,290	34,702,190	47,815,210	76,378,760	95,376,645	
July	August	Sept.	Oct.	Nov.	Dec.	574,30
122.4	129.4					
122,432,020	129,359,010					

		Monthly Total		
Gallons = Multiply M.G. by:	1,000,000	129,359,010	Gallons	574,237,795
Cubic Feet = Divide gallons by:	7.48	17,293,985	Cubic Feet	76,769,759
Hundred Cu Ft. = Divide cu. ft. by:	100	172,940	Hundred Cubic Feet	767,698
Acre Ft. = Divide gallons by:	325,829	397.02	Acre Ft.	1,762

DISTRIBUTION SYSTEM DATA

Water Quality Complaints		Complaints Total (Low Psi Complaints)				Year To Date
January	February	March	April	May	June	
3 (1)	0	0	1 (1)	3 (1)	2 (2)	
July	August	Sept.	Oct.	Nov.	Dec.	14
2 (2)	3 (2)					

New Services

New Construction	0	0
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4616

Service Failures

Deterioration August 1 thru August 31	7	37
Damaged August 1 thru August 31	0	1

Water Sampling

Routine	20	138
Non Routine	0	0

August 1 thru August 31

7 Distribution leaks repaired by District staff, 0 by contractor.
Work Orders Issued: 82 USA's Issued - 22
Disconnect Service - 1
Get Current Read - 55
Line Leak - 3
Other Work - 5
Possible Leak - 6
Pressure Complaint - 2
Water Quality Complaint - 1
Repair - 1
Tag Property - 2

7-20-11 Went to public records act training at JPIA offices met with the Risk Assessment Manager , the head of the agency, property appraiser for our property insurance and many others in the office who perform tasks for our agency. It was also the retirement party for Barbara Duggan.

July 25, 2011 Met with Susheel and Doris at California Bank and Trust to nail down the final paperwork necessary to transfer the accounts to their bank. I am still waiting for their scanner to put checks through, their machine to run credit cards and checks for the accounts so we may pay bills once the money is in the accounts.

July 29, 2011 Met With John Haas at our office. He is the JPIA Risk Assessment Manager and reviewed the list that he had created last time he was at our site. All items had been corrected and we looked at a few sites.

August 2, 2011 Conference call with engineers and CDPH and Army Corp of Engineers about possible extension of construction time at well 15 site. Due to wetlands issue we cannot do construction during the winter. It was determined that it would not be economical to try to extend the construction timeline.

August 3, 2011 Attended regular meeting of Lafco. Since our district and its current status was on the agenda I figured I should go to the meeting. I updated them on the status of several items since our last subcommittee meeting on July 19, 2011.

August 8, 2011 I had a meeting with CDPH today regarding change order request procedure for a couple of items on the project. They requested we write a letter explaining reasoning for the request and they will run it by their legal department and make a determination within 4 to 6 weeks. They also requested detailed information from the engineers and a few drawings to better understand our requests.

Due to the large number of Board meetings the past month along with other issues that have come up I have not been able to get to the minutes of the past few meetings. If it is not decided to use DVDs as Board minutes at this meeting I will try to get them to you by the next regular meeting of the Board.