

MEMORANDUM

Date: November 11, 2020
To: Board of Directors
From: Tom Hennig, General Manager
Subject: General Manager's Report

COVID-19 RESPONSE

District offices continue to be closed to the public, in response to COVID-19 as a best practice. The latest Sacramento County Health directive extended the stay-at-home/essential services mandate on November 13, 2020. The order remains in effect until rescinded or amended by County Health Officials. We have infrastructure in place to reopen to the public as soon as it is allowed.

LAGUNA JOAQUIN

We have received two proposals for the Laguna Joaquin Environmental Study. These proposals will be reviewed with representatives from the RMA, MTI, and any other participating entities as determined by the Board or RMA. This item will be discussed later in the meeting tonight.

OUTREACH/ADVOCACY

CSD/MVA (Murieta Village) – I had a discussion with the Village Association related to the planned installation of cameras which would view the entrance to the Village. Installation of these cameras are on hold pending the resolution of unrelated items.

CSD/RMA– Met with the General Manager on November 5 to review activities and to coordinate options for Laguna Joaquin, Riverview Cameras and Security enforcement.

Sacramento Central Groundwater Authority (SCGA) – Paul Siebensohn, Director of Field Operations, will be attending virtual meetings when scheduled.

Sloughhouse Resource Conservation District (SRCD) Board Meeting –Paul Siebensohn will be attending virtual meetings when scheduled. Mr. Siebensohn is now attending these types of sessions to support the District's interests.

Regional Water Authority (RWA) Regular Board Meeting – I participated in the first two hours of the RWA monthly board meeting.

OTHER DISTRICT BUSINESS

Election Polling Place Report – The District office was one of 83 Election polling locations in Sacramento County. The polling location was open Saturday through Tuesday. There was a steady

flow of voters throughout Tuesday, November 3, 2020. We received a letter from John W. Seigal, Inspector, commending the work of District Staff, Maimie Chyinski and the overall ease of utilizing our facilities. The Election volunteers did all the work needed to set up the room and left everything in perfect order when leaving. We also worked with the Registrar of Voters by placing a ballot box outside the main entrance of the District office beginning on September 28, 2020 thru Tuesday, November 3, 2020.

District Access to NextDoor.com – We have received notification from the folks at NextDoor.com. If we want to create an account specifically designed for the CSD Governmental posting, it will run \$10,000 per year. This will allow us to create segments within the District for messaging and notifications. For instance, we could segregate the District in multiple groups which would allow us to send messages to just the Murieta Village about Utility services. Or, Murieta South to relay Riverview construction updates. This account would NOT be used to take questions from RMCS D residents and businesses. We do this through the website or phone calls to the office. I will bring the NextDoor idea to the next Communications Committee meeting for formal discussions.

California Local Agency Investment Fund (LAIF) Transfer - LAIF offers local Government agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer.

The District is required to review the amount of working capital on hand to periodically determine if there is available undesignated cash to be transferred into District reserves. District Policy 2012-07, District Operating Fund and Reserve Fund Policy, specifies that the target balance for the District Operating Fund is to be a minimum of six (6) months of cash to fund District expenditures. Government Code 53646(b)(3), which requires the District to have sufficient cash flow to meet the next six (6) months of budgeted expenditures, allows the next six (6) months of projected cash revenues to be included as a source of cash flow to meet this requirement.

As of October 31, 2020, the District's accounts at El Dorado Savings have a combined balance of nearly three-million dollars. Finance staff has determined that the six-months of operating cash is approximately 3.5 million dollars. When combined with the average monthly revenue projections of six-hundred thousand dollars, a balance of one-million dollars in the El Dorado accounts is sufficient to maintain regular financial operations. The General Manager holds the role of District Treasurer and is the authorized agent to transfer funds to and from the LAIF account. Based on this authority the GM approved the transfer of two million dollars from El Dorado Savings to LAIF. The last transfer of District funds took place on June 28, 2018.

Activities related to the Mello-Roos Bond - CFD 2014-1 – While evaluating the receipts and payments related to this bond, we discovered issues with the management of the various accounts. District Finance staff is in the process of completing an audit of the entire CFD 2014-01/Water Treatment Plant Upgrade project. This work involves compiling data and documents generated from 2013 to the current date. Turnover within the Districts Finance leadership

created gaps and changes for the accounting of the overall project. We plan to present this report to the Finance Committee in December 2020.

PARS Webinar – the following topics were discussed at the webinar that I attended:

1. Consider setting up an IRS Section 115 Trust to address future pension obligations, (GASB 68) requirements. PARS is positioned to assist RMCS D with this option. We will consult with our external auditor to determine a strategy that will provide the District with the best short and long-term needs.
2. Assistance with mapping labor costs and CalPERS unfunded liability.
3. Consider buying Pension modeling software.

Joint Security Committee Meeting – We are working to schedule the next meeting.

Security RFQ – We have released a Request for Quote to establish a plan to conduct a Community Opinion Survey regarding Security Services. The responses to this RFQ are due November 25, 2020 and the Survey will follow the timeline below:

1. Receive RFQ responses – November 25, 2020
2. Report results and recommendation to Finance Committee – December 2, 2020
3. If necessary, request approval to award contract at the December 16, 2020 Board Meeting
4. Begin project with Stakeholder meetings in January 2021
5. Conduct polling activities in February 2021
6. Present polling results to Finance Committee on April 6, 2021
7. Presentation to the Board on April 21, 2021
8. Possible voter referendum in June 2021

Reserve Study RFP Release – We are drafting this RFP now. Our hope is to bring the draft to the Finance Committee in December 2020. If all goes according to plan, we will bring a contract to the Board in January 2021.

Engineering Services RFP Release – The contract with Coastland Engineering is set to end in April 2021. We have a draft of the proposed RFP in the works. We plan to present this to the Improvements Committee as an informational item. The RFP will be released to the public after we address any comments from the Improvements Committee. Our initial plan is to separate the Engineering activity from the Inspections activity. Those responding to the RFP will have the option to bid on either service or both. We anticipate bringing the contract to the Board for approval in January 2021.

Conference/Education Opportunities:

California Special Districts Association (CSDA)

Emergency Preparedness Summit 2021	2/19/2021 & 2/26/2021	Webinar
2021 SDRMA Spring Education Day	3/23/2021	Sacramento, CA
2021 Special District Leadership Academy	4/11/2021	San Diego, CA
General Manager Leadership Summit	6/27/2021	Olympic Valley

Association of California Water Agencies (ACWA)

2021 Spring Conference & Exhibition

4/4 – 4/7/2021

Monterey, CA

EMPLOYEE ANNOUNCEMENTS, PROMOTIONS, COMMENDATIONS, AND KUDOS:

Thank you to all Security staff for their continued commitment to all the businesses and residents within the District. They are working extra shifts and canceling time off to support our work while we recruit to fill vacant positions.

Thank you to Gabriel DeVault for repairing the equipment in the men's room at the District Office. Gabriel has plumbing experience from a previous career and has saved the District substantial costs by doing the work in-house.

Thank you to Cindy Chao and Michelle Ammond for their efforts allocating the funds received as a past due payment for the CFD 2014-1 Bonds.

District Offices will be closing early on November 25, and December 24 in observance of the holidays.