



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CALIFORNIA 95683
916-354-3700
FAX – 916-354-2082

AGENDA

*“Your Independent Local Government Agency Providing
Water, Wastewater, Drainage, Security, and Solid Waste Services”*

REGULAR BOARD MEETING

January 17, 2024

Closed Session 4:00 p.m./Open Session 5:00 p.m.
Rancho Murieta, CA 95683

BOARD MEMBERS

Tim Maybee	President
Martin Pohll	Vice President
Linda Butler	Director
Randy Jenco	Director
Stephen Booth	Director

STAFF

Mimi Morris	General Manager
Mark Matulich	Director of Finance and Administration
Michael Fritschi	Director of Operations
Andrew Ramos	District General Counsel
Amelia Wilder	District Secretary
Kelly Benitez	Security Supervisor

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

January 17, 2024

REGULAR BOARD MEETING

Call to Order

Closed Session 4:00 p.m./Open Session 5:00 p.m.

Note that this meeting will be held in-person at the address set forth above, and not via videoconference. In order to comply with the State's COVID-related Guidance for the use of face coverings, it is strongly recommended that all persons, regardless of vaccination status, continue to mask while in indoor public settings and businesses.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

ESTIMATED RUNNING TIME 5:00

1. CALL TO ORDER - Determination of Quorum – President Maybee **(Roll Call)**

2. CONSIDER ADOPTION OF AGENDA **(Motion)**

The Board will discuss items on this agenda, and may take action on those items, including informational items and continued items. No action or discussion will be undertaken on any item not appearing on the agenda, except that (1) directors or staff may briefly respond to statements made or questions posed during public comments on non-agenda items, (2) directors or staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities, (3) a director may request staff to report back to the Board at a subsequent meeting concerning any matter or request staff to place a matter on a future Board meeting agenda, and (4) the Board may add an item to the agenda by a two-thirds vote determining that there is a need to take immediate action and that the need for action came to the District's attention after posting the agenda.

*The running times listed on this agenda are only estimates and may be discussed earlier or later than shown. At the discretion of the Board, an item may be moved on the agenda and or taken out of order. **TIMED ITEMS** as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed.*

3. CLOSED SESSION

- A. Conference with General Manager as real property negotiator concerning price and terms of payment (Gov. Code 54956.7). Property: Pedestrian Bridge Site. Negotiating Party: Rancho Murieta Association.
- B. Public employee performance evaluation of the General manager (Gov. Code section 54957)
- C. Conference with legal counsel concerning significant exposure to litigation pursuant to Gov. Code 54956.9(d)(2) and (e)(1) (two cases) and potential initiation of litigation pursuant to Gov. Code 54956.9(d)(4) (one case)

4. OPEN SESSION/REPORT BACK FROM CLOSED SESSION

5. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.) All items in this agenda item will be approved as one motion if they are not excluded from the motion adopting the consent calendar.

A. Approval of Board Meeting and Committee Meeting Minutes

1. *December 20, 2023 Regular Board Meeting Minutes*
2. *December 20, 2023 Special Board Meeting Minutes*
3. *January 9, 2024, Special Improvements Committee Meeting Minutes*
4. *January 9, 2024, Special Finance Committee Meeting Minutes*
5. *January 9, 2024 Special Board Meeting*
6. *January 16, 2023 Special Communication & Technology Committee Meeting Minutes*

B. Bills Paid Listing

C. Consider Approval of Purchase of Comminutor for Main Lift North from JWC Environmental in the Amount of \$26,884.71

D. Consider Approval of Contract with WorkSmart Automation, Inc. in the Amount of \$8,500 for Supervisory Control And Data Acquisition (Scada) Water Treatment Plant Evaluation

E. Consider Approval of Electrical Work with Prodigy Electric for the Chesbro Aeration Station the Amount of \$12,376

6. STAFF REPORTS (Receive and File)

- A.** General Manager's Report
- B.** Finance and Administration Report
- C.** Security Report
- D.** Utilities Report

7. REVIEW DISTRICT MEETING DATES/TIMES FOR FEBRUARY 2023

- A.** Improvements – February 6, 2024 at 8:00 a.m.
- B.** Finance – February 6, 2024 at 10:00 a.m.
- C.** Communications – February 8, 2024 at 8:30 a.m.
- D.** Security – Committee will meet as needed
- E.** Regular Board Meeting – February 21, 2024 - Open Session at 5:00 p.m.

8. CORRESPONDENCE

9. Action Item CONSIDER BOARD'S DIRECTION OF PROPOSED TRAIL SURFACE REVISION VOTE FOR THE RESIDENCES AT MURIETA HILLS EAST (Discussion/Action) (Motion) **(Roll Call Vote)**

10. Action Item CONSIDER TRANSFER OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FROM PUBLIC AGENCY RETIREMENT SERVICES (PARS) TO CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) AS NEW TRUST MANAGER (Discussion/Action) (Motion) **(Roll Call Vote)**

11. Discussion Item DISCUSS PROGRESS ON WOODEN BRIDGE TRANSFER TO RMA
(Discussion/Action) (Motion) **(Roll Call Vote)**

12. COMMENTS FROM THE PUBLIC

Members of the public may comment on any item of interest within the subject matter jurisdiction of the District and any item specifically agendaized. Members of the public wishing to address a specific agendaized item are encouraged to offer their public comment during consideration of that item. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.

If you wish to speak during Comments from the Public or would like to comment regarding an item appearing on the meeting agenda, please complete a public comment card and submit to the Board Secretary prior to the point in the meeting at which the item is called. Speakers presenting individual opinions shall have 3 minutes to speak. Speakers presenting opinions of groups or organizations shall have 5 minutes per group.

13. DIRECTOR COMMENTS/SUGGESTIONS

In accordance with Government Code 54954.2(a), directors and staff may make brief announcements or brief reports of their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

14. ADJOURNMENT (Motion)

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting.

In compliance with federal and state laws concerning disabilities, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this meeting, please contact the District Office at 916-354-3700 or awilder@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is January 12, 2024. Posting locations are: 1) District Office; 2) Rancho Murieta Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT REGULAR BOARD MEETING MINUTES

December 20, 2023
Open Session 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

Vice President Pohll called the Regular Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 5:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present at the District office were Martin Pohll, Randy Jenco, Linda Butler and Stephen Booth. Director Maybee was absent. Also present at the District office were Mimi Morris, General Manager; Mark Matulich, Director of Finance and Administration; Michael Fritschi, Director of Operations; Kelly Benitez, Security Supervisor; Andrew Ramos, District General Counsel; and Amelia Wilder, District Secretary.

2. CONSIDER ADOPTION OF AGENDA

Motion/Pohll to adopt the Agenda. Second/Booth. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

3. CONSENT CALENDAR

Director Booth asked that the items on the Consent Calendar be voted on separately.

3A. Approval of Board Meeting and Committee Meeting Minutes

1. November 15, 2023 Regular Board Meeting Minutes

Motion/Booth to approve Item 3A1. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

2. December 5, 2023 Personnel Committee Meeting Minutes

Director Booth asked if there was a discussion about the labor negotiations with OE3 at the Personnel Committee. There was not. **Motion/Booth to approve Item 3A2. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.**

3. December 5, 2023 Improvements Committee Meeting Minutes

Director Booth asked if there was any disposition on the easement for 39-acre parcel. This was a discussion and the Developer will bring it back to the Improvements Committee if they wish to. **Motion/Booth to approve Item 3A3. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.**

4. December 5, 2023 Finance Committee Meeting Minutes

Motion/Booth to approve Item 3A4. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

5. December 7, 2023 Communication & Technology Committee Meeting Minutes

Director Booth asked that the following text be added to item 3 Consider Draft Communication Strategy,

“Staff have been working with the Communications Committee to develop a comprehensive communications strategy in order to restore the community’s confidence in the District. This strategy is still under development, but some good conversations have been had about some communication fundamentals. In addition, staff have been developing some basic data tracking tools to better manage all requests for information from the District, including PRA Requests, Correspondence and General Inquiries.

PRA REQUESTS

Since 2019, the District has received 149 Public Record Act requests. The bulk of the requests came in 2021 and 2022. In 2023, we have had a total of 9 PRA requests. A Summary Report and corresponding Detail report of the requests is attached for your consideration. The cost of the reviewing attorneys alone exceeds \$56,000. The cost of staff time on PRAs has been over \$10,000. The cost of the review by the District's counsel has not yet been tabulated. Staff understand the conditions that led to requests for information and hope to restore confidence in District operations so as to reduce the cost burden of these inquiries.

GENERAL INQUIRIES/QUESTIONS

Starting with the November Board Meeting, staff are capturing questions posed at these meetings and bringing back responses and posting responses to the website. See the attached report of four questions brought to the Board meeting last month."

Motion/Booth to approve Item 3A5. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None

3B. Bills Paid Listing

Motion/Booth to approve Item 3B. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

3C. Adoption of Resolution R2023-18 Surplus Property

Motion/Booth to approve Item 3C. Second/Butler. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

4. STAFF REPORTS

Complete Staff Reports can be found in the December 20, 2023 Regular board Meeting Packet on the District's website or by clicking [here](#).

Under Agenda Item 4A, Mimi Morris, General Manager, gave a summary of activities during the previous month, highlighting the following topics:

- Communication
 - PRA Requests
 - General Inquiries/Questions
- Tentative Agreement on MOU Between Represented Employees and District
- Financial Update
- General Oversight

Mike Martel asked when the financial problems started.

Under Agenda Item 4B Mark Matulich, Director of Finance and Administration updated Board on the following items:

- Audit Update
- Financial Reports
- Financial Management Policies and Objectives
- Financial Accounting System Analysis
- District FY24-25 Budget

Under Agenda Item 4C, Kelly Benitez, Security Supervisor, updated the Board with a summary of October's activities in the Security Department, including:

- Operations Update
- Rancho Murieta Association Activity
- RMA Violation Report
- Gate Entries Report
- Gate Entries Denied Reports
- Cases by Breakdown Report
- Incidents of Note

Director Booth commented on a Security budget analysis that he had provided and would like to have the Security Committee look at it and have a Board Discussion about this topic.

Under Agenda Item 7D, Michael Fritschi, Director of Operations, gave a summary of the utility update, including:

- Water Treatment Facility
- Water Consumption
- Raw Water Storage & Delivery
- Wastewater Facility
- Utility Crew Report
- Capital Projects
 - Integrated Water Master Plan
 - Capital Improvement Study
 - Granlees Safety Project
 - Water Treatment Facility Chlorine Gas to Sodium Hypochlorite
 - Wastewater Facility Chlorine Gas to Sodium Hypochlorite and Contact Tank Project
 - Lift Stations
 - Alameda & Starter Shack
 - Cantova & FAA
 - 6B
- Development
 - Retreats North
 - Residences of Murieta Hills East & West
 - Riverview Phase 2
 - Murieta Gardens Commercial

Director Butler asked for a tally of homes built and remaining in recent developments.

5. REVIEW DISTRICT MEETING DATES/TIMES FOR DECEMBER 2023

No changes.

6. CORRESPONDENCE

Director Pohll acknowledged that correspondence in the packet. Director Booth asked for follow up on correspondence from November.

Ms. Morris elaborated on the correspondence with the Brad Beer.

7. CONSIDER ADOPTION OF POLICY P2023-02 INVESTMENT POLICY

Ms. Morris presented the topic to the Board. **Motion/Pohll to adopt Policy P2023-02 Investment Policy. Second/Jenco. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.**

8. CONSIDER APPROVAL OF INFORMATION TECHNOLOGY MANAGER JOB DESCRIPTION

Ms. Morris presented this topic to the Board. There was a discussion, and it was decided that this position will be designated as a manager and not represented by the OE3 union. **Motion/Booth to approve Information Technology Manager Job Description. Second/Jenco. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.** Director Pohll followed up for clarification about the current software that would need to be purchased.

9. CONSIDER 2024-2025 COMMITTEE ASSIGNMENTS

Amelia Wilder, District Secretary discussed the annual Committee assignments, stating that the Board members all wanted to stay on the Committees they had previously been assigned to.

10. COMMENTS FROM THE PUBLIC

Mike Martel offered a description of the events that happened which led to CSD loaning the Country Club money to repair the pumps at North Pump Station at Bass Lake. Board Counsel Ramos explained the process under California law for selecting a member at random to vote on an item in the event that member conflicts of interest would prevent the establishment of a quorum on the matter.

Richard Gehrs shared his concerns about the loan to the Country Club.

A Board discussion continued on this topic.

11. DIRECTOR COMMENTS/SUGGESTIONS

None.

12. ADJOURNMENT

Motion/Pohll to adjourn at 7:18 p.m. Second/Butler. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

Respectfully submitted,

Amelia Wilder
District Secretary



RANCHO MURIETA COMMUNITY SERVICES DISTRICT SPECIAL BOARD MEETING MINUTES

December 20, 2023

Following Open Session at 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

Vice President Pohll called the Special Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 7:19 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present at the District office were Martin Pohll, Randy Jenco, Linda Butler and Stephen Booth. Director Maybee was absent. Also present at the District office were Mimi Morris, General Manager; Mark Matulich, Director of Finance and Administration; Michael Fritschi, Director of Operations; Kelly Benitez, Security Supervisor; Andrew Ramos, District General Counsel; and Amelia Wilder, District Secretary.

2. CONSIDER ADOPTION OF AGENDA

Motion/Booth to adopt the Agenda. Second/Jenco. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

3. CONSIDER APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 3, AFL-CIO AND RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Mimi Morris, General Manager, discussed the items included in the contract negotiations. The Union rejected the MOU, so this was an information item. Director Booth asked about employees driving commercial vehicles. The District does not have any vehicles that require commercial driver's licenses. He continued with questions about the negotiations. The Board had not been included in these negotiations. This is not the standard practice of the Board. Director Jenco detailed the steps taken during the negotiation process. If the Board wishes to change the negotiation process, this will be discussed at a later meeting.

4. COMMENTS FROM THE PUBLIC

None.

5. DIRECTOR COMMENTS/SUGGESTIONS

None.

6. ADJOURNMENT

Motion/Booth to adjourn at 7:41 p.m. Second/Butler. Roll Call Vote: Ayes: Booth, Butler, Jenco, Pohll. Noes: None. Absent: Maybee. Abstain: None.

Respectfully submitted,

Amelia Wilder
District Secretary

MEMORANDUM

Date: January 11, 2024
To: Board of Directors
From: Improvements Committee Staff
Subject: January 9, 2024 Special Improvements Committee Meeting Minutes

1. CALL TO ORDER

Director Jenco called the meeting to order at 8:00 a.m. Present were Director Jenco and Director Pohl. Present from District staff were Michael Fritschi, Director of Operations; Travis Bohannon, Chief Plant Operator; and Amelia Wilder, District Secretary.

2. IMPROVEMENTS STAFF REPORT

A. Electro Fishing Testing

Mr. Fritschi introduced Jim Monical, President of Rancho Murieta Fishing Club, who introduced Bob Ewing from California Department of Fish and Wildlife who discussed the process of electrofishing in the reservoirs, which would give them an idea of the types and density of fish and potential community efforts to elevate community education of fish in neighboring areas. The presentation continued with Max Fish from the California Department of Fish and Wildlife who discussed the potential addition of Sacramento Perch to the reservoirs. The Committee members did not oppose these ideas.

B. CIP Matrix

Mr. Fritschi discussed the new matrix of CIP projects included in the packet. The Committee liked the format.

C. Contract for Supervisory Control and Data Acquisition (SCADA) Water Treatment Plant Evaluation

Mr. Fritschi informed the Committee about the need to have the SCADA system evaluated and maintained. He asked for quotes and received four. The Committee was in favor of having this work completed and asked him to bring his recommendation to the Board for approval. ***This item will be on the January 17, 2024 Board Meeting Agenda.***

D. Comminutor Main Lift North

Mr. Fritschi informed the Committee of the clog that occurred December 24, and the desire to have a back up on hand to replace this one, as it is making noise, and the lead time is six months. The approximate cost would be \$24,721.57 plus tax. The Committee was in favor of ordering this equipment and asked him to bring it to the Board for approval. ***This item will be on the January 17, 2024 Board Meeting Agenda.***

E. Levee Report

Mr. Fritschi discussed his recent inspection of the levees and the work that will need to be done.

F. Chesbro Aeration Station Electrical Work

Mr. Fritschi informed the Committee of the electrical work that needs to be done to replace the aerators. The equipment has been purchased, and all that is needed is the electrical work. The Committee was in favor of completing this project and asked him to bring it to the Board for approval. ***This item will be on the January 17, 2024 Board Meeting Agenda.***

3. COMMENTS FROM THE PUBLIC

None.

4. DIRECTOR AND STAFF COMMENTS

Director Pohll asked what was happening with the Wooden Bridge transfer. Staff will follow up. Mr. Fritschi thanked staff for coming in on Christmas Eve to unclog Main Lift North.

5. ADJOURNMENT

The meeting was adjourned at 9:03 a.m.

DRAFT

MEMORANDUM

Date: January 11, 2024
To: Board of Directors
From: Finance Committee Staff
Subject: January 9, 2024 Special Finance Committee Meeting Minutes

1. CALL TO ORDER

Director Pohll called the meeting to order at 10:00 a.m. Present were Director Pohll and Director Booth. Present from District staff were Mimi Morris, General Manager, Mark Matulich, Director of Finance and Administration, and Amelia Wilder, District Secretary.

2. AUDIT UPDATE

Mark Matulich, Director of Finance and Administration, updated the Committee on the status of the FY20-21 audit, stating that staff have a call with the auditors today, and are working toward final resolution of the audit.

3. REBALANCING DISTRICT RESERVES

Ms. Morris began with a discussion about the enterprise funds, and how the money in those funds can be spent (restricted vs unrestricted) and current reserve balances as of June 30, 2020. The water fund has a negative net position in its unrestricted operating reserves, and Staff proposed using discretionary reserve funds to clear the negative balance. The Committee recommended that Staff move the money to bring the water operating fund into the black, and that it be reported to the Board in the January General Manager's report. Ms. Morris indicated that there are currently no resources to apply to the deficits in both Drainage and Security, but that they would be addressed in subsequent years and resolved by the budget year.

4. FINANCIAL REPORTS

- **Budget to Actuals, Operating Budget**

Mr. Matulich reported on the District's FY23-24 budget to actual reports.

5. DISTRICT OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY

Ms. Morris led a discussion about the current OPEB Plan and the Unfunded OPEB liability, which is at roughly \$2.5 million. Morris stated that the liability has not been updated by the actuary since 2019 due to unsubmitted data in the past four years. Staff provided the required information in December and is expecting the updated unfunded liability by the end of the month.

The presentation continued with a discussion about our current trust fund manager, Public Agency Retirement Services (PARS), and the savings the District would enjoy if we changed fund managers to California Employees' Retiree Benefit Trust (CERBT). The Committee agreed with Staff recommendations to make this change and asked that this be placed on the Board Agenda.

This item will be on the January 17, 2024 Board Meeting Agenda.

6. DISTRICT 24-25 BUDGET

- i. Draft Indirect Cost Rate Analysis
- ii. Service Rates – Regional Service Rate Increase Analysis

Ms. Morris stated that the FY24-25 Draft Budget will be presented in March of 2024. Staff have been soliciting information from other districts to evaluate their rate increase history. Unit budget meetings have also been held to prepare the 24-25 budget.

Staff continued with a proposal for a revision to the Indirect Cost Rates (Cost Allocation), which would reduce the Administrative Overhead charged to the Security Department. A discussion followed between the Board and community members including Crystal Matter and Mike Martel. Director Pohll reminded the group that if allocation rates were reduced in one department the other departments would have increased rates. More information on the next steps in this process will be detailed in the January General Managers report, and this will be discussed at future Finance Committee meetings.

7. PUBLIC COMMENT

None.

8. DIRECTOR COMMENTS

Ms. Morris informed the Committee that payment had been received on the Country Club loan.

9. ADJOURNMENT The meeting was adjourned at 11:07 a.m.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

SPECIAL BOARD MEETING MINUTES

January 9, 2024

Open Session at 11:00 a.m.

1. CALL TO ORDER/ROLL CALL

President Maybee called the Special Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 11:21 a.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present at the District office were Tim Maybee, Martin Pohl, Linda Butler and Stephen Booth. Director Randy Jenco was absent. Also present at the District office were Mimi Morris, General Manager; Mark Matulich, Director of Finance and Administration; Kelly Benitez, Security Supervisor; and Amelia Wilder, District Secretary.

2. CONSIDER ADOPTION OF AGENDA

Motion/Maybee to adopt the Agenda. Second/Butler. Roll Call Vote: Ayes: Booth, Butler, Maybee, Pohl. Noes: None. Absent: Jenco. Abstain: None.

3. SECURITY BUDGET

- i. FY23-24
- ii. FY24-25

Mimi Morris, General Manager, discussed the budgets included in the packet. These were the FY23-24 approved budget and the proposed FY24-25 budget. There was a discussion about the indirect cost rate allocation proposal that was discussed in the previous January 9, 2024 Finance Committee meeting. The proposed realigned administrative cost allocation would affect the Security and other unit budgets in that it reduces the amount of administrative overhead charged to the Security department which would then be distributed to other units. This proposed change would be a change to the 23-24 current year budget and so will be included in a budget revision action item next month. There was a robust discussion which included the Board and audience members Crystal Matter, Mike Martel, and RMA Board member Chris Childs. Questions were raised about the possibility of charging outside entities for the services they receive based on what those services are, including charging a gate fee for non-residents attending activities and functions held within the community and at the golf course .

Kelly Benitez, Security Supervisor commented on staffing at the gates, noting that if a gate officer calls in sick or has a personal emergency to attend to, a patrol officer customarily will cover, but the three patrol officers have recently been sick as well in which case there may be times when the gate is not covered due to the shortage of personnel.

Director Booth raised questions about historical data provided in successive year budgets and why they do not agree with one another which GM Morris apologized for and indicated she had dropped the ball on researching that discrepancy from prior year budgets.

4. COMMENTS FROM THE PUBLIC

Included above.

5. DIRECTOR COMMENTS/SUGGESTIONS

Director Butler commented on the fact that the primary revenue stream for security behind the gates currently comes from residents behind the gates.

There was a discussion about armed vs unarmed patrol.

Ms. Morris stated that the goal of the District is to produce accurate financial statements and to identify what the community wants in the manner of Security services.

Director Butler asked for assistance from members of the audience in how to most effectively communicate with the community.

Director Booth noted that we are making incremental progress on this issue and identified several actions taken over the past year in that regard. The first was the Indirect Cost Allocation realignment. The second will be getting the past due audits completed. The third is providing budget to actuals reports for the Board and the community to review. The fourth is the ongoing cost containment efforts. And finally, is the need to communicate the progress in all those areas with the community.

Director Maybee thanked staff for their continuing efforts and asked for more detail and to schedule a Board action item to discuss the fiscal impacts of retroactively applying the Indirect Cost Allocation formula to this year's budget.

6. ADJOURNMENT

Motion/Maybee to adjourn at 12:54 p.m. Second/Butler. Roll Call Vote: Ayes: Booth, Butler, Pohll, Maybee. Noes: None. Absent: Jenco. Abstain: None.

Respectfully submitted,

Amelia Wilder
District Secretary

**5A6 Communications & Technology
Committee Minutes**

MEMORANDUM

DATE: January 11, 2024
TO: Board of Directors
FROM: Mark Matulich, Director of Finance and Administration
SUBJECT: Receive and File Check Journal

Attached is a list of checks numbered 11686 through 11732 issued between December 1, 2023 and December 31, 2023. Invoices were presented by departments, reviewed by administration staff and subsequent checks were issued. All checks were in conformity with the District's policies and procedures. Monies were available to pay the amounts listed.

The Board is asked to receive and file this information.

FISCAL ANALYSIS

Forty-seven checks totaling \$425,149.34 were issued and zero were voided between December 1, 2023 and December 31, 2023.

ATTACHMENT

Accounts Payable Vendor Check Register Report from December 1, 2023 and December 31, 2023.

Ranges: From: To: From: To:
 Check Number First Last Check Date 12/1/2023 12/31/2023
 Vendor ID First Last Checkbook ID First Last
 Vendor Name First Last

Sorted By: Checkbook ID

* Voided Checks

Check Number	Check Date	Vendor	Checkbook ID	Amount
0011686	12/6/2023	Applications By Design, Inc.	CSD CHECKING	\$1,260.00
0011687	12/6/2023	Aqua-Metric Sales Company	CSD CHECKING	\$1,328.12
0011688	12/6/2023	Aramark Uniform & Career Apparel, LLC	CSD CHECKING	\$473.47
0011689	12/6/2023	Backflow Distributors Inc	CSD CHECKING	\$949.39
0011690	12/6/2023	California Waste Recovery Systems	CSD CHECKING	\$105,368.85
0011691	12/6/2023	Chemtrade Chemicals US LLC	CSD CHECKING	\$3,868.09
0011692	12/6/2023	Connor McClure	CSD CHECKING	\$119.00
0011693	12/6/2023	Greenfield Communications	CSD CHECKING	\$329.00
0011694	12/6/2023	Hastie's Capitol Sand and Gravel Co.	CSD CHECKING	\$694.01
0011695	12/6/2023	Intelligent Technical Solutions, LLC	CSD CHECKING	\$7,605.37
0011696	12/6/2023	Lumos & Associates, Inc.	CSD CHECKING	\$1,625.60
0011697	12/6/2023	LUXURY CLEANING SERVICE	CSD CHECKING	\$2,000.00
0011698	12/6/2023	Melissa Kassel	CSD CHECKING	\$209.58
0011699	12/6/2023	Operating Engineers Local Union No. 3	CSD CHECKING	\$1,797.14
0011700	12/6/2023	Pace Supply Corp	CSD CHECKING	\$1,971.01
0011701	12/6/2023	Pirtek Power Inn	CSD CHECKING	\$431.19
0011702	12/6/2023	Solitude Lake Management LLC	CSD CHECKING	\$2,275.00
0011703	12/6/2023	State Water Resources Control Board	CSD CHECKING	\$7,067.00
0011704	12/6/2023	Streamline	CSD CHECKING	\$375.00
0011705	12/6/2023	Synagro Technologies, Inc.	CSD CHECKING	\$14,478.45
0011706	12/6/2023	Univar Solutions USA Inc	CSD CHECKING	\$7,689.90
0011707	12/6/2023	West Yost Associates	CSD CHECKING	\$5,504.50
0011708	12/6/2023	Zenon Environmental Corporation	CSD CHECKING	\$452.34
0011709	12/14/2023	Adkins Engineering and Surveying, Inc.	CSD CHECKING	\$89,923.20
0011710	12/14/2023	Aramark Uniform & Career Apparel, LLC	CSD CHECKING	\$248.67
0011711	12/14/2023	Best Best & Krieger	CSD CHECKING	\$2,816.00
0011712	12/14/2023	B & M BUILDERS	CSD CHECKING	\$14,997.00
0011713	12/14/2023	Caltronics	CSD CHECKING	\$144.39
0011714	12/14/2023	Crime Alert Security	CSD CHECKING	\$120.00
0011715	12/14/2023	Domenichelli and Associates, Inc	CSD CHECKING	\$44,102.50
0011716	12/14/2023	Evoqua Water Technologies	CSD CHECKING	\$3,340.25
0011717	12/14/2023	Galls/Quartermaster	CSD CHECKING	\$487.84
0011718	12/14/2023	Melinda Morris	CSD CHECKING	\$578.88
0011719	12/14/2023	Mobile Mini Solutions	CSD CHECKING	\$109.78
0011720	12/14/2023	NBS	CSD CHECKING	\$1,933.72
0011721	12/14/2023	State Water Resources Control Board	CSD CHECKING	\$34,107.00
0011722	12/14/2023	USA Blue Book	CSD CHECKING	\$5,429.79
0011723	12/14/2023	Zenon Environmental Corporation	CSD CHECKING	\$4,641.87
0011724	12/14/2023	Bartkiewicz, Kronick & Shanahan	CSD CHECKING	\$8,666.70
0011725	12/20/2023	Bartkiewicz, Kronick & Shanahan	CSD CHECKING	\$15,993.68
0011726	12/20/2023	County of Sacramento	CSD CHECKING	\$674.00
0011727	12/20/2023	Ditch Witch West	CSD CHECKING	\$784.36
0011728	12/20/2023	Domenichelli and Associates, Inc	CSD CHECKING	\$10,175.00
0011729	12/20/2023	FIDELITY NATIONAL TITLE	CSD CHECKING	\$423.67
0011730	12/20/2023	State of California	CSD CHECKING	\$45.99
0011731	12/20/2023	USA Blue Book	CSD CHECKING	\$14,342.04
0011732	12/20/2023	Wagner & Bonsignore Consulting Civil Engine	CSD CHECKING	\$3,191.00

Total Checks: 47

Total Amount of Checks: \$425,149.34

MEMORANDUM

Date: January 17, 2023
To: Board of Directors
From: Michael Fritschi, P.E. – Operations Director
Subject: **Consent Calendar Item C** - Improvements Committee recommendation – Main Lift North Comminutor

Proposed Action

Approval of expenditure of \$24,721.57 plus \$2,163.14 tax for a total expenditure of \$26,884.71 to be taken from sewer replacement reserves to purchase a redundant comminutor for the main lift north lift station.

History

Depending on the design and capacity of sewage lift pumps, screening or shredding of rags and debris is required upstream to protect and maintain the proper operation of sewage lift pumps. At the main lift north (MLN) pump station, the District utilizes (2) comminutors to shred rags and debris for each of the (2) sewer lift pumps in the MLN station. Each comminutor is designated to protect each pump and they are utilized in parallel. Last Summer one of the comminutors failed and the District ordered a replacement which had a 6-month lead time. The absence of the comminutor recently caused the redundant lift pump to become clogged with rags and to fail, which resulted in (5) employees and a pumping contractor to have to respond on December 24th to unplug the pump. The rags extracted from the pump were extensive (see below).



It has also been recently noted that the remaining comminutor is beginning to make noises, most likely related to bearings. The District is expecting the previously ordered comminutor in the next few weeks. Staff feel that due to the long lead times, that a second comminutor should be ordered and ready, if the (noisy) comminutor requires replacement or repair within the next 6 months. The most recent quote for the replacement comminutor is \$24,721.57 (+tax) from JWC Environmental, who is the only manufacturer of a comminutor that will fit in the lift station.

On the 9th of January, the improvements committee met, discussed the issue, and agreed with staff on the need for the redundant comminutor and had recommended that this expenditure be brought before the Board for consideration.

att. Comminutor Quote JWC Environmental



Customer Service Center
 2600 S. Garnsey Street
 Santa Ana, CA 92707 USA
 Phone: 949 833-3888
 Toll Free: 800 331-2277
 Fax: 714 242-0240

Customer: 5036606
 Jason Dill
 Rancho Murieta Community Services District
 PO Box 1050
 15160 Jackson Road
 Rancho Murieta, CA 95683

 US - UNITED STATES
 916-870-5368
 jdill@rmcsd.com

Quote Number: C-122182-M7Y5-B
Quote Date: 12/20/2023
Terms: Net 30
Pricing: Valid 60 Days
FOB: Origin
Lead Time: 4-5 Weeks ARO -Shipping & Handling Included
Grinder Serial #: Spare
Ticket #: C-122182-M7Y5

Project: Rancho Murieta Community Services District

We thank you for your inquiry and are pleased to quote pricing and delivery on the equipment listed below. This quotation is subject to terms and conditions listed on the JWC Environmental "Terms and Conditions" page, and in Clarifications and Exclusions listed below.

Part Number	Description	Qty	Unit Price	Extended Price
30005-0040	30005-0040 Muffin Monster Spare 11 Tooth Cam Cutters 1:1 Stack Alloy Steel Buna N Elastomers Cork & Rubber Gaskets Delta-P Siderails Motor Type Electric New 3HP/460V 3PH 60Hz IMM Motor w/ 40' 12AWG Sow Cable New 29:1 Reducer New 3' Ext Shaft/Spool Paint: Epoxy Green Grinder SN: TBD	1	\$24,721.57	\$24,721.57
Shipping	Shipping & Handling Included	1	\$0.00	\$0.00

Please verify serial number is correct.

Sub Total **\$24,721.57**
Tax
Total **\$24,721.57**

Notes:

1. Please fax or mail a Purchase Order for the total amount and we can process your order. Please include the following:
 Bill to Address, Ship to Address, and sales tax exemption certificate.
2. Reference the JWC quote number on your purchase order..
3. Availability of parts are subject to change at any time.
4. 20% restocking fee on all returns.
5. Sales tax is not included in price.
6. JWCE standard one year warranty included except for older models i.e. GTS, MS and SPF models.
7. Subject to attached JWC Environmental Standard Terms and Conditions of Sale.

Clarifications and Exceptions

1. Subject to attached JWC Environmental Standard Terms and Conditions of Sale.
2. All quotes on orders over \$250,000 include milestone payments of 30% on Approved Submittals; 70% on Shipment.



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2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

Thank-You for your Business!

**JWC Environmental Inc
Jared Reynolds
Customer Service**



Customer Service Center
2600 S. Garnsey Street
Santa Ana, CA 92707 USA
Phone: 949 833-3888
Toll Free: 800 331-2277
Fax: 714 242-0240

Please provide the following information. Failure to do so may delay processing of order. Quote #: C-122182-M7Y5-B

All orders will be billed the applicable sales tax, based on the "ship to address", unless a valid tax exemption certificate is provided prior to shipment.

Bill To Name & Address:

Ship To Name & Address:

Email Address: _____

PO# _____

Payment terms: Net 30 FOB: Origin

Preferred Shipping Method (Required to Process Your Order):

Prepay & Add to Invoice

Collect Account #: _____

Carrier: _____

JWCE will add shipping and handling charges to invoices unless otherwise specified.

Credit cards:

I authorize JWCE to process this order on my credit card and add shipping and handling charges.

Credit card orders are processed after order ships. You will be contacted by JWC Accounting for payment.

Please fax or email your PO and most recent tax certificate to:

Fax (714) 242-0240

Email servicesales@jwce.com

Signature: _____

Date: _____



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JWC ENVIRONMENTAL TERMS AND CONDITIONS OF SALE

Unless otherwise specifically agreed to in writing by the buyer ("Buyer") of the products and or related services purchased hereunder (the "Products") and JWC Environmental (the "Seller"), the sale of the Products is made only upon the following terms and conditions. Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is conditioned on Buyer's assent to these terms. Seller rejects all additional, conditional and different terms in Buyer's form or documents.

PAYMENT TERMS

Subject to any contrary terms set forth in our price quotation, order acceptance or invoice the full net amount of each invoice is due and payable in cash within 30 days from the date of the invoice. If any payment is not received within such 30-day period, Buyer shall pay Seller the lesser of 1 ½% per month or the maximum legal rate on all amounts not received by the due date of the invoice, from the 31st day after the date of invoice until said invoice and charges are paid in full. Unless Seller's documents provide otherwise, freight, storage, insurance and all taxes, duties or other governmental charges related to the Products shall be paid by the Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller for said charges. In all cases, regardless of partial payment, title to the Products shall remain the Seller's until payment for the Products has been made in full. All orders are subject to credit approval by Seller. All offers by Seller and/or acceptance of Buyer's order shall be nullified by any failure of Buyer to obtain credit approval. Furthermore, Buyer shall not assert any claim against Seller due to Buyer's inability to obtain credit approval. Irrevocable Letter of Credit from Buyer in form and term acceptable to Seller is required for Product orders delivered outside the United States of America

DELIVERY

Unless otherwise provided in our price quotation, delivery of the Products shall be made F.O.B. place of manufacture. Any shipment, delivery, installation or service dates quoted by the Seller are estimated and the Seller shall be obligated only to use reasonable efforts to meet such dates. The Seller shall in no event be liable for any delays in delivery or failure to give notice of delay or for any other failure to perform hereunder due to causes beyond the reasonable control of the Seller. Such causes shall include, but not be limited to, acts of God, the elements, acts or omissions of manufacturers or suppliers of the Products or parts thereof, acts or omissions of Buyer or civil and military authorities, fires, labor disputes or any other inability to obtain the Products, parts thereof, or necessary power, labor, materials or supplies. The Seller will be entitled to refuse to make, or to delay, any shipments of the Products if Buyer shall fail to pay when due any amount owed by it to the Seller, whether under this or any other contract between the Seller and Buyer. Any claims for shortages must be made to the Company in writing within five calendar days from the delivery date and disposition of the claim is solely subject to Seller's determination

PRICES

Prices of the Seller's Products are subject to change without notice. Quotations are conditioned upon acceptance within 30 days unless otherwise stated and are subject to correction for errors and/or omissions. Prices include charges for regular packaging but, unless expressly stated, do not include charges for special requirements of government or other purchaser. Prices are subject to adjustment should Buyer place an order past the validity period of the quotation or delay delivery of Products beyond the quoted lead time for any reason.

RETURNS

No Products may be returned for cash. No Product may be returned for credit after delivery to Buyer without Buyer first receiving written permission from the Seller. Buyer must make a request for return of Product in writing to Seller at its place of business in Costa Mesa, California. A return material authorization number must be issued by the Seller to the Buyer before a Product may be returned. Permission to return Product to Seller by Buyer is solely and exclusively the Seller's. Product must be returned to Seller at Buyer's expense, including packaging, insurance, transportation and any governmental fees. Any credit for Product returned to Seller shall be subject to the inspection of and acceptance of the Product by the Seller and is at the sole discretion of the Seller.

LIMITED WARRANTY

Subject to the terms and conditions hereof, the Seller warrants until one year after commissioning (written notification to Seller by Buyer required) of the Product or until 18 months after delivery of such Product to Buyer, whichever is earlier, that each Product will be free of defects in material and workmanship. If (a) the Seller receives written notification of such defect during the warranty period and the defective Product use is discontinued promptly upon discovery of alleged defect, and (b) if the owner ("Owner") forwards the Product to the Seller's nearest service/repair facility, transportation and related insurance charges prepaid. The Seller will cause any Products whose defect is covered under this warranty to either be replaced or be repaired at no cost to the Owner. The foregoing warranty does not cover repairs required due to repair or alteration other than by the Seller's personnel, accident, neglect, misuse, transportation or causes other than ordinary use and maintenance in accordance with the Seller's instructions and specifications. In addition, the foregoing warranty does not cover any Products, or components thereof, which are not directly manufactured by the Seller. To the extent a warranty for repair or replacement of such Products or components not manufactured directly by the Seller is available to Buyer under agreements of the Seller with its vendors; the Seller will make such warranties available to Buyer. Costs of transportation of any covered defective item to and from the nearest service/repair center and related insurance will be paid or reimbursed by Buyer. Any replaced Products will become the property of the Seller. Any replacement Products will be warranted only for any remaining term of the original limited warranty period and not beyond that term.

DISCLAIMER OF WARRANTIES AND LIMITATIONS OF LIABILITIES

THE SELLER'S FOREGOING LIMITED WARRANTY IS THE EXCLUSIVE AND ONLY WARRANTY WITH RESPECT TO THE PRODUCTS AND SHALL BE IN LIEU OF ALL OTHER WARRANTIES (OTHER THAN THE WARRANTY OF TITLE), EXPRESS, STATUTORY OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY STATEMENTS MADE BY EMPLOYEES, AGENTS OF THE SELLER OR OTHERS REGARDING THE PRODUCTS. THE OBLIGATIONS OF THE SELLER UNDER THE FOREGOING WARRANTY SHALL BE FULLY SATISFIED BY THE REPAIR OR THE REPLACEMENT OF THE DEFECTIVE PRODUCT OR PART, AS PROVIDED ABOVE. IN NO EVENT SHALL THE SELLER BE LIABLE FOR LOST PROFITS OR OTHER SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL LIABILITY OF THE SELLER TO BUYER AND OTHERS ARISING FROM ANY CAUSE WHATSOEVER IN CONNECTION WITH BUYER'S PURCHASE, USE AND DISPOSITION OF ANY PRODUCT COVERED HEREBY SHALL, UNDER NO CIRCUMSTANCES, EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCT BY BUYER, NO ACTION, REGARDLESS OF FORM, ARISING FROM THIS AGREEMENT OR BASED UPON BUYER'S PURCHASE, USE OR DISPOSITION OF THE PRODUCTS MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION ACCRUES, EXCEPT THAT ANY CAUSE OF ACTION FOR THE NONPAYMENT OF THE PURCHASE PRICE MAY BE BROUGHT AT ANY TIME

The remedies provided to Buyer pursuant to the limited warranty, disclaimer of warranties and limitations of liabilities, described herein are the sole and exclusive remedies.

Unless specifically agreed to in writing by the Seller, no charges may be made to the Seller by Buyer or any third party employed by buyer for removing, installing or modifying any Product.

The Seller and its representatives may furnish, at no additional expense, data and engineering services relating to the application, installation, maintenance or use of the Products by Buyer. The Seller will not be responsible for, and does not assume any liability whatsoever for, damages of any kind sustained either directly or indirectly by any person through the adoption or use of such data or engineering services in whole or in part.

CONFIDENTIAL INFORMATION

Except with the Seller's prior written consent, Buyer shall not use, duplicate or disclose any confidential proprietary information delivered or disclosed by the Seller to Buyer for any purpose other than for operation or maintenance of the Products.

CANCELLATION AND DEFAULT

Absolutely no credit will be allowed for any change or cancellation of an order for Products by Buyer after fabrication of the Products to fill Buyer's order has been commenced. If Buyer shall default in paying for any Products purchased hereunder, Buyer shall be responsible for all reasonable costs and expenses, including (without limitation) attorney's fees incurred by the Seller in collecting any sums owed by Buyer. All rights and remedies to the Seller hereunder or under applicable laws are cumulative and none of them shall be exclusive of any other right to remedy. No failure by the Seller to enforce any right or remedy hereunder shall be deemed to be a waiver of such right or remedy, unless a written waiver is signed by an authorized management employee of the Seller and the Seller's waiver of a breach of this agreement by Buyer shall not be deemed to be a waiver of any other breach of the same or any other provision.

CHANGES IN PRODUCTS

Changes may be made in materials, designs and specifications of the Products without notice. The Seller shall not incur any obligation to furnish or install any such changes or modifications on Products previously ordered by, or sold to, Buyer.

APPLICABLE LAW, RESOLUTION OF DISPUTES AND SEVERABILITY

This agreement is entered into in Costa Mesa, California. This agreement and performance by the parties hereunder shall be construed in accordance with, and governed by, the laws of the State of California. Any claim or dispute arising from or based upon this agreement or the Products which form its subject matter shall be resolved by binding arbitration before the American Arbitration Association in Los Angeles, California, pursuant to the Commercial Arbitration Rules, excepting only that each of the parties shall be entitled to take no more than two depositions, and serve no more than 30 interrogatories, 10 requests for admissions and 20 individual requests for production of documents, such discovery to be served pursuant to the California Code of Civil Procedure. Any award made by the arbitrator may be entered as a final judgment, in any court having jurisdiction to do so. If any provision of this agreement shall be held by a court of competent jurisdiction or an arbitrator to be unenforceable to any extent, that provision shall be enforced to the full extent permitted by law and the remaining provisions shall remain in full force and effect.

ASSIGNMENT

This agreement shall be binding upon the parties and their respective successors and assigns. However, except for rights expressly provided to subsequent Owners of the Products under "Limited Warranty" above, any assignment of this agreement or any rights hereunder by Buyer shall be void without the Company's written consent first obtained. Any exercise of rights by an Owner other than Buyer shall be subject



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to all of the limitations on liability and other related terms and conditions set forth in this agreement.

EXCLUSIVE TERMS AND CONDITIONS

The terms and conditions of this agreement may be changed or modified only by an instrument in writing signed by an authorized management employee of the Seller. This instrument, together with any amendment or supplement hereto specifically agreed to in writing by an authorized management employee of the Seller, contains the entire and the only agreement between the parties with respect to the sale of the Products covered hereby and supersedes any alleged related representation, promise or condition not specifically incorporated herein.

SELLER'S PRODUCTS ARE OFFERED FOR SALE AND SOLD ONLY ON THE TERMS AND CONDITIONS CONTAINED HEREIN. NOTWITHSTANDING ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS CONTAINED IN BUYER'S SEPARATE PURCHASE ORDERS OR OTHER ORAL OR WRITTEN COMMUNICATION, BUYER'S ORDER IS OR SHALL BE ACCEPTED BY THE COMPANY ONLY ON THE CONDITION THAT BUYER ACCEPTS AND CONSENTS TO THE TERMS AND CONDITIONS CONTAINED HEREIN. IN THE ABSENCE OF BUYER'S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN THE SELLER'S COMMENCEMENT OF PERFORMANCE AND/OR DELIVERY OF THE PRODUCTS, OR THE SELLER'S STATEMENT OF ACKNOWLEDGMENT OF THE RECEIPT OF BUYER'S PURCHASE ORDER, SHALL BE FOR BUYER'S CONVENIENCE ONLY AND SHALL NOT BE DEEMED OR CONSTRUED TO BE ACCEPTANCE OF BUYER'S DIFFERING TERMS OR CONDITIONS, OR ANY OF THEM. ANY DIFFERENT OR ADDITIONAL TERMS ARE HEREBY REJECTED UNLESS SPECIFICALLY AGREED UPON IN WRITING BY AN AUTHORIZED MANAGEMENT EMPLOYEE OF THE SELLER. IF A CONTRACT IS NOT EARLIER FORMED BY MUTUAL AGREEMENT IN WRITING, BUYER'S ACCEPTANCE OF ANY PRODUCTS COVERED HEREBY SHALL BE DEEMED ACCEPTANCE OF ALL OF THE TERMS AND CONDITIONS STATED HEREIN. THE SELLER'S FAILURE TO OBJECT TO PROVISIONS INCONSISTENT HERewith CONTAINED IN ANY COMMUNICATION FROM BUYER SHALL NOT BE DEEMED A WAIVER OF THE PROVISIONS CONTAINED HEREIN.

F360JWCE0107

MEMORANDUM

Date: January 17, 2023
To: Board of Directors
From: Michael Fritschi, P.E. – Operations Director
Subject: **Consent Calendar Item D** - Improvements Committee recommendation – Water Treatment Plant SCADA Assessment

Proposed Action

Approval of expenditure of \$8,500 to be taken from water treatment operating budget to hire WorkSmart Automation INC. to perform a supervisory control and data acquisition (SCADA) assessment of the water treatment plant.

History

The District SCADA hardware and software that operate the automation of the treatment facility have not been properly checked and updated since inception (2015). Some components of the system are also out of date and no longer supported by the manufacturer.

Service quotes have been solicited from Tesco Controls, Telstar, Cascade Integration and Development, and WorkSmart Automation INC. to provide a full assessment of the water plant SCADA system and to provide an assessment report of potential deficiencies and suggested solutions to bring the water plant SCADA system up to date.

The scope of assessment is envisioned as follows:

- Take inventory of operating system versions and patch levels
- Review programmable logic controller (PLC) panel view and component firmware
- Review health of server hardware
- Review event logs of network switches, firewall, and other peripherals
- Provide SCADA Assessment Report

The following quotes were received:

1. Tesco controls = \$45,000
2. Telstar = \$5,874
3. Cascade Integration and Development = \$14,084
4. WorkSmart Automation INC. = \$8,500

Based on the thoroughness of the response, the onsite visit, and the reasonable price, staff recommend utilizing WorkSmart Automation to provide the SCADA assessment. On the 9th of January, the improvements committee met, discussed the issue, and agreed with staff on the selection of WorkSmart Automation INC. to perform the assessment and had recommended that this expenditure be brought before the Board for consideration.

att. Vendor WTP SCADA assessment quotes



WorkSmart Automation, Inc.
Software Automation Specialists
P.O. Box 19642
Sacramento, CA 95819

Phone: (916) 454-1718

January 8, 2024

Quote: SRV24-3288

TO: Travis Bohannon
Chief Plant Operator
Rancho Murieta Community Services District
P.O. Box 1050
Rancho Murieta, CA 95683

FROM: Dan Jones
WorkSmart Automation, Inc.

SUB: Quotation for SCADA Assessment Report Services

Mr. Bohannon,

Pursuant to your request, WorkSmart Automation is pleased to submit this quote for the above-mentioned project. This quote is based on your email to me on Jan 4, 2024 and our subsequent on-site visit last Friday, January 5, 2024.

Scope of Work

Provide professional services to investigate and provide report of the following for the District's WTP FactoryTalk View SCADA System components:

- Take inventory of operating system versions and patch levels
- Review FactoryTalk View versions
- Review programmable logic controller (PLC) panel view and component firmware
- Review health of sever hardware
- Review event logs of network switches, firewall, and other peripherals
- Provide SCADA Assessment Report in PDF format

The following hardware installed in the half-height server rack at the WTP and the MCC panels for PLC #1 and PLC #2:

- 3 Dell Servers (SCADA1, SCADA2, & HISTORIAN)
- Network Security Components
- AB PLC #1
- AB PLC #2
- AB PanelView Plus 1250

WorkSmart & Banshee Networks (our IT partner) shall visit the WTP on site to investigate hardware and gather logs and information necessary to provide the SCADA Assessment report for the hardware identified as follows:

1. Review the existing Dell server platforms to:
 - a. Identify warranty and component coverage.
 - b. Identify Operating System and patch levels. (1)
 - c. Review storage and power redundancy. (2)
 - d. Review health of server hardware components. (2)
 - e. Review System event logs. (1)
 - f. Review iDRAC logs if this component is installed. (2)
 - g. Review Dell Open Manage (OMSA) logs if installed. (2)

2. Review network and Internet security components:
 - a. Review Cisco switch health and event logs. (3)
 - b. Document switch configuration. (3)
 - c. Review Cisco router health and event logs. (3)
 - d. Document Cisco router configuration. (3)
 - e. Review Cisco ASA (firewall) health and event logs. (3)
 - f. Document Cisco ASA (firewall) configuration. (3)

3. Review power redundancy components:
 - a. Review APC configuration, system health and log files. (4)
 - b. Determine if automatic server shutdown is configured for power outages. (4)
 - c. Document configuration of existing APC Power unit. (4)

4. Review FactoryTalk View Versions:
 - a. Review logs (1)
 - b. Identify warranty and component coverage (6)

5. Review Allen Bradley PanelView Plus Hardware
 - a. Review Logs (1)
 - b. Identify warranty and component coverage (6)
 - c. Review fault history (5)

6. Review Allen Bradley PLC Hardware Versions:
 - a. Identify RS Logix 5000 Firmware Revision (5)
 - b. Identify warranty and component coverage (6)
 - c. Review fault history (5)

7. Provide report that documents the findings from the above reviews.

Notes/Assumptions:

- (1) Assumes administrative access to the system console for log review.
- (2) Assumes administrative access to iDRAC or OMSA interfaces for review.
- (3) Assumes administrative access to system console interfaces.
- (4) Assumes administrative access to the web interface of the APC and related system agents.
- (5) Assumes network and security access to device using our AB programming laptop.
- (6) Assumes District maintains active support with Rockwell Automation.

District Responsibilities

1. WorkSmart shall require account and server access to all devices we inspect. We will require any applicable passwords and accounts in order to do our work and access to the SCADA network. The District shall be responsible for providing user names and passwords as well as access to hardware. Any devices, servers, or the like that we are not able to access shall not be included in the final SCADA Assessment Report.

Costs

Item #	Description	Qty	Rate	Extended
1	1-lot professional services described herein as Scope of Work.	1	\$ 8,500.00	\$ 8,500.00
			Tax	Labor only
			Grand Total	\$ 8,500.00

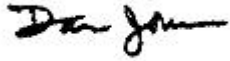
Terms

- Client will pay for all authorized and properly performed services as defined in this quotation.
- Disputes or disagreements with invoices or the associated services must be addressed by Client within 30 days from invoice date.
- Changes to project scope may result in increased or reduced costs.
- Invoices for work performed are sent monthly and are due within 30-days of invoice date.
- 12% interest will be added to all past due invoices.
- Any additional work requested by the client outside the scope of this quote will be quoted separately at WorkSmart's current hourly rate.
- Prices are time and material not to exceed.

WorkSmart is pleased to offer this quotation for your consideration and will guarantee this price for the next 30 days.

If you have any questions or comments, please don't hesitate to call me.

Best regards,

A handwritten signature in black ink, appearing to read "Dan Jones". The signature is written in a cursive, slightly slanted style.

Dan Jones
Director of Business Development
WorkSmart Automation, Inc.

MEMORANDUM

Date: January 17, 2023
To: Board of Directors
From: Michael Fritschi, P.E. – Operations Director
Subject: **Consent Calendar Item E** - Improvements Committee recommendation – Chesbro Aeration Station Electrical Work

Proposed Action

Approval of expenditure of \$12,376.31 to be taken from water replacement reserves to utilize the District electrician to perform the electrical panel updates and compressor wiring to complete the installation of the new water treatment intake replacement compressors.

History

The Chesbro Aeration station is utilized as a pre-treatment station for manganese removal just before the water treatment facility. At this station, staff will be replacing the existing aerators that have outlived their useful life. The new units have been procured and are ready to install in the existing station housing. Staff will be performing the mechanical removal and will install the new smaller and more efficient units on Unistrut rails secured to the existing foundation. The existing panel housing for the aerators will be modified with the new controllers by the District electrician. The electrician has been out to preview the required work and has provided a quote of \$12,376.31 to complete the work.



On the 9th of January, the improvements committee met, discussed the issue, and agreed with staff on the need for the electrical work at the Chesbro Electrical Station and had recommended that this expenditure be brought before the Board for consideration.

att. Electrical service quote from Prodigy Electric



Please Remit To This Address: **Prodigy Electric And Controls, Inc.**
PO Box 141
Lincoln, CA 95648

Bill To: Rancho Murieta CSD
15160 Jackson Road
Rancho Murieta, CA

Quote #	40590
Date	1/5/2024
Total Due:	\$12,376.31
Terms	Net 15
P.O. No.	

Phone # 916.997.0798
CA License # 998361

Job Description

Description	Qty	Rate	Total
demo old electrical in panel, install lp panel install on off switches, install 8@ 6-20 receps in 4 boxes with bubble covers. After its been tested demo old lp panel. Make strut mounts for new compressors.	1	12,376.31	12,376.31

Total	\$12,376.31
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GENERAL MANAGER'S REPORT TO THE BOARD OF DIRECTORS
JANUARY 17, 2024

IMPROVING CUSTOMER SERVICE

Customer Communications

Staff continue to work to ensure more timely and reliable communication vehicles, like emails and texts. Our efforts to gather customer emails and cell phones is moving along, with that information now on hand for 2,000 of our 2,500 customers:

Staff have also been trained in the use of a new Customer Communication Log that allows us to capture the details of prior conversations with customers, so each customer service representative has a full and clear understanding of the issues that a customer has been dealing with. This increased continuity will make it easier for staff to be more responsive to customer concerns and also allow managers to more easily oversee the process and ensure that follow-up actions that resolve the issues took place.

The screenshot displays a web application interface with a light blue background. At the top, there are three yellow navigation buttons: 'MAIN Menu', 'Customer SubMenu', and 'Communication Log'. Below these is a large heading 'Customer Account Information'. The form contains several fields: 'Account Number' (redacted), 'Contact Name' (redacted), 'Account Status' (radio buttons for 'Active' and 'Inactive'), 'Old Account' (redacted), 'House Number' (redacted), 'Street' (MURIETA PARKWAY), 'Parcel Number' (redacted), 'City' (redacted), 'State' (redacted), 'Zip Code' (RANCHO MURIETA CA 95683), 'Service Address' (redacted), 'CONTACT INFO PHONE INFO', 'Land Line' (redacted), and 'Cell Phone' (redacted). Below this is a section titled 'District/Customer Communication Log' which contains a table with two rows of communication logs. The first row shows 'ComLog0042' with the issue 'Fixed trash can issue', handled by 'Admin' on '1/3/2024' at '10:59:33 AM'. The second row shows 'ComLog0041' with the issue 'Spoke with [redacted] regarding wrong trash can size charge', handled by 'Admin' on '1/3/2024' at '10:59:08 AM'. A third row is partially visible but mostly redacted.

ComLogID	Issue Description	Handled By	Date/Time
ComLog0042	Fixed trash can issue	Admin	1/3/2024 10:59:33 AM
ComLog0041	Spoke with [redacted] regarding wrong trash can size charge	Admin	1/3/2024 10:59:08 AM
[redacted]	[redacted]	[redacted]	[redacted]

Responding to Community Concerns

PRA Tracker

As noted at prior board meetings, the District has had a high volume of costly and time-consuming PRA requests since 2019. We developed a tracking system to assist in ensuring that all requests are being responded to and a report of the two outstanding PRA requests is attached to this report. My hope is that as we improve our communications regarding District activities and issues, these requests will lessen, but in the interim, this tracking system allows us to ensure that no requests fall through the cracks for any reason.

Community Communication Tracker

As noted in December, there are often questions raised in Board Meetings or in letters sent to the Board which were not routinely responded to. Many topics may be difficult to provide an answer for on the spot, but it is important to capture those questions/concerns and ensure that a response is provided for the community member. Accordingly, starting with the November Board Meeting, staff has been documenting questions posed at board meetings or included in correspondence to the board and providing responses directly to the individual asking the questions, including the responses in a Community Communication Tracker report and posting that report to the website. There were no questions brought to the Board meeting last month nor were there any letters addressed to the Board so there is not update to the Community Communication Tracker.

Communications Strategy

All of the above-referenced efforts are both good customer service and important communication approaches that should be part of an overall strategy for effective engagement. The Communications Committee began working in December on a document that can govern an overall communication strategy for the District. The Committee met again yesterday and picked up the process of developing that formal Comprehensive Communications Strategy. Included in the 15 specific communication areas like establishing goals and objectives, determining best communication channels, and ensuring a feedback mechanism for customers. A formal presentation of the Strategy will be available at the February Board Meeting.

Customer Access

The District's reception area is going to be undergoing a few changes to increase the functionality of the service counter and the work space for customer service staff. The service counter is being dropped to counter height in one area and a customer chair will be available. The bar-height counter access will remain, but often researching account information takes more than 5-10 minutes and it can be uncomfortable for the customer to have to stand at the counter. Similarly, staff can't easily reach the counter because their work surfaces block their access. The work surfaces are also too shallow to allow staff to open files and stack documents and work on their keyboards. We are addressing this by removing the work surfaces and adding desks and additional counter spaces for the staff. While we are making these changes, we decided that the reception could benefit from a fresh coat of paint so we are taking the next month to give that area a much-needed face-lift and improvement in functionality. Customers will be redirected to temporary customer support stations in the Board Room during this time.

DEVELOPING and REWARDING DISTRICT STAFF

Professional Trainings

Eleven staff attended a Confined Space training held at the District in December. This is an important training on safety procedures to avoid potential injuries or accidents while working in confined spaces, very often underground.

Staff continue to take tests and get certifications for various aspects of the District's water operations. Ryan Wenker just passed his Water 3 test.

Attached is a chart showing the number of staff we have with various certifications. By law, as a T3 Water Treatment Plant and a Level 4 Wastewater Plant, we must have at least one individual with a Water Grade 3 Certification and at least one individual with Wastewater Grade 4 certifications, which we currently have. We don't have a very deep bench though, so it is important that staff continue to increase their certifications.

Certifications Among Operations Staff				
Water Grade 1	Water Grade 2	Water Grade 3	Water Grade 4	
I	II	I	I	
WasteWater Grade 1	WasteWater Grade 2	WasteWater Grade 3	WasteWater Grade 4	WasteWater Grade 5
II	II		I	I
Distribution Grade 1	Distribution Grade 2	Distribution Grade 3	Distribution Grade 4	
I	IIII	II		
Collections Grade 1	Collections Grade 2			Lab Grade 1
0	II			I
Treatment Grade 1	Treatment Grade 2			BackFlow Certification
0	I			I

STRENGTHENING FINANCIAL POSITION

An overarching goal of mine is to get the District back on a solid financial foundation. This is accomplished through a variety of different steps, but at the most basic it involves closing out prior fiscal years, becoming compliant with annual audit obligations for those prior years, and building reserves for future needs.

Because fiscal years' activity build on prior years' activities, we needed to start with the first fiscal year that is not yet closed out. That fiscal year is 2020-2021 (20-21) and it has taken almost 18 months to get the books in order. We are now in a position where all of the outstanding issues of the 20-21 financials and the audit have been resolved. The auditors have indicated that they will work to have the audit signed off and we anticipate audited financial statements to be issued by the end of February. With the closure of 20-21, we can begin working on 2021-2022 (21-22), which is likely to take no more than half that amount of time, barring any unexpected developments.

One opportunity resulting from the open prior fiscal years is that we can go back and amend expenditures that were charged to the wrong year or account and even change the indirect cost rate that was applied. Staff developed an alternative methodology for distributing administrative costs that is based on more factors than just the number of positions in each unit. This methodology [which I'm going to call Indirect Cost Rate #2 (ICR#2)] considers factors like overall complexity of the operation, corresponding administrative demands, physical plant and equipment, operating budget and number of positions. Mark Matulich will present

scenarios applying ICR#2 to FY 21-22, 22-23, and 23-24. It's unclear to me if Board approval is required to make these adjustments, but we think it is an appropriate action to take to ensure that costs are more fairly distributed to the enterprise funds and I'm hoping we can discuss this and take it back to Finance and come back in February with an action item to approve the revisions to these historic budgets. The Board will need to act on the changes proposed to the current (and maybe prior year) budgets stemming from the use of ICR#2 and that will also be brought to Finance in February and then to the full board on 2/21/24.

These steps will help to ensure that we have accurate and credible financial reports with integrity. A related situation regarding valid financial reports is to address deficits in our reserve fund balances. Of the five enterprise funds, three will be in the red upon close out of the 20-21 Fiscal Year. Staff requested that the Finance Committee authorize a redistribution of District Reserves for water to bring the Water Fund out of a negative balance at the close of the 20-21 Fiscal Year. Funds for water are available in the Capital Replacements Fund for Water. Committee members indicated that the intent of the 2021 water and sewer reserve increases was to help build the District's reserves but understands that the District cannot have our operating funds in the red per state statute regarding local government finances. There are negative balances in both Drainage and Security and staff will work to reduce those in future fiscal years.

In addition to ensuring the reserves are presented correctly, staff is dedicated to ensuring that resources are used in prudent ways through evaluating costs and determining needs and cost-effective approaches. Operating within the means of the District's available resources results in savings that can build out reserves for future needs. The Grand Jury report indicated an imbalance in reserves of more than \$10 million. We will have a clearer picture of the current reserves as prior fiscal years are closed out. We will also have a clearer picture of future plant and equipment needs as the Lumos capital improvement assessment is finalized.

Staff has begun to prepare the 24-25 Budget and meetings have been held with unit leaders this month and will continue in the coming month to provide staff with a fuller understanding of revenue and expenditure needs and projections for the coming year. It is likely that staff will propose a 10-15 percent increase in rates to ensure that all costs are covered for the coming year and that funds are available to help build up the reserves. I'm going to let Mr. Matulich present the details on the current fiscal year.

ENSURING WATER QUALITY AND ACCESS

Staff continue to work to ensure water quality is high. Annual testing for copper and lead have been done, along with other tests required by the state. Travis Bohannon will provide a fuller report.

KEEPING THE COMMUNITY SAFE

Kelly's team continues to keep the gates covered and patrols out there despite several sicknesses. I'll let him fill in the details regarding security.

Report of

2 PRA Requests by Status

2 PRA REQUESTS WITH STATUS: COMPLETED

ID	Name of Requester	Assigned	Date Requested/ Completed	Requested Information
2024.001	<i>Deltek Public</i>	Amelia	1/10/2024 1/10/2024	Project Name: Capital Improvement Planning and Water & Wastewater Rate Study Bid Number: n/a; Due Date: 7/12/23; Contract Number: n/a Awarded Vendor Name, Address, Phone, Award Amount: Start and End Date of Contract: Continuing Contract Terms; Contract Document - all info in the shared doc
STATUS <input type="radio"/> NRR <input type="radio"/> In Process <input checked="" type="radio"/> Completed				
TYPE OF REQUEST <input checked="" type="radio"/> PRA <input type="radio"/> Board Meeting Question <input type="radio"/> Correspondence <input type="radio"/> Other				

2023.14	<i>Deltek Public</i>	Amelia	12/25/2023 1/10/2024	Project Name: Capital Improvement Planning and Water & Wastewater Rate Study Bid Number: n/a; Due Date: 6/26/23; Contract Number: n/a Awarded Vendor Name, Address, Phone, Award Amount: Start and End Date of Contract: Continuing Contract Terms; Contract Document - all info in the shared doc
STATUS <input type="radio"/> NRR <input type="radio"/> In Process <input checked="" type="radio"/> Completed				
TYPE OF REQUEST <input checked="" type="radio"/> PRA <input type="radio"/> Board Meeting Question <input type="radio"/> Correspondence <input type="radio"/> Other				

MEMORANDUM

Date: January 17, 2024
To: Board of Directors
From: Mark Matulich, Director of Finance and Administration
Subject: December Finance Report

AUDIT UPDATE

Staff are working diligently to complete the FY20-21 financial statement audit and the process is in its final stages which includes final reconciliation of the District's accounting system to audited balances and final administrative review of the overall audit by the external auditor's management. Once that is completed, draft final audited financial statements will be prepared, the District will write the Management Discussion and Analysis ("MD&A") section, and the final audited financial statements will be issued.

Completing the FY20-21 audit has been a significant undertaking during which various staff and outside personnel have cleared 76 audit tasks from external auditors, proposed additional adjustments to the audited trial balance, and posted adjustments to approximately 200 general ledger accounts in the District's accounting system.

During this process, current staff have been creating policies, procedures, and processes for sound accounting practices going forward. Groundwork has also been laid for more efficient audits of FY21-22, FY22-23, and going forward.

REBALANCING DISTRICT RESERVES

Per the FY19-20 audited financial statements, three of the District's enterprise funds had deficit net position in general operating reserves. Staff recommends utilizing the necessary amount of discretionary reserves for capital projects to bring the water fund's operating reserves back in the black as of 6/30/2021.

FINANCIAL REPORTS

Staff presented financial reports to the Finance Committee for the first six months of FY23-24.

- FY23-24: YTD results from operations show revenues in excess of expenditures of \$1.17M. When considering any excess revenues over expenditures, it is important to note that significant portions of the District's revenues are designated for reserves and debt service (\$1.1 million in the FY23-24 budget) or restricted for water augmentation and capital improvements (\$555k in the FY23-24 budget). Of the revenue generated to date in FY23-24, \$743k is considered restricted as noted above. There is also approximately \$1.8M of potential outstanding costs for water studies and capital improvements when comparing actual costs to date to budgeted amounts for the year. Cost management has been a priority of the district in FY23-24 and this is evidenced by YTD operating expenditures which are approximately 8% below budget year to date. Savings like this are important to the success of the District and will help offset the current year's budgeted deficit of \$283k which includes expected capital improvement projects of \$1.9 million.

DISTRICT FY24-25 BUDGET

Staff project completion of a draft FY24-25 budget by mid-March 2024, and budget meetings are already underway.

Staff conducted an analysis of the District's indirect cost rate which was implemented in FY19-20 and derived an updated indirect cost rate ("ICR#2") which staff believes better reflects the amount of administrative overhead benefitting each operational area.

MEMORANDUM

DATE: JANUARY 9, 2024
TO: FINANCE COMMITTEE
FROM: MIMI MORRIS, GENERAL MANAGER AND
MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION
SUBJECT: AUDIT UPDATE

Staff are working diligently to complete the FY20-21 financial statement audit and the process is in its final stages which includes final reconciliation of the District's accounting system to audited balances and final administrative review of the overall audit by the external auditor's management. Once that is completed, draft final audited financial statements will be prepared, the District will write the Management Discussion and Analysis ("MD&A") section, and the final audited financial statements will be issued.

Completing the FY20-21 audit has been a significant undertaking during which various staff and outside personnel have cleared 76 audit tasks from external auditors, proposed additional adjustments to the audited trial balance, and posted adjustments to approximately 200 general ledger accounts in the District's accounting system.

During this process, current staff have been creating policies, procedures, and processes for sound accounting practices going forward. Groundwork has also been laid for more efficient audits of FY21-22, FY22-23, and going forward.

The effort to get to this point required the following efforts by staff:

1. **Comprehensive review of all balance sheet** (asset, liability, and net position) accounts. Except for accounts identified below, these accounts agree with the draft final audit trial balance.
 - a. Minor variances in a handful of accounts (less than \$500) which fall well below materiality threshold will be passed on.
 - b. Review of property tax assessment receivable for final resolution of 6/30/2021 balance. Staff have traced this balance back to a payment received via ACH from Sacramento County to the District's El Dorado Savings Bank checking account in August 2021.
 - c. Review of cumulative LAIF balance at 6/30/2021 for final resolution. The District has eight GL Accounts used to record funds held in LAIF. Staff traced the cumulative balance back to the District's 6/30/2021 LAIF statement.
 - d. Clear legacy balances on the District's balance sheet related to developer deposits from projects that have long been completed.
 - e. Discussion of the draft final audit balances in net position. The District's balances of net position tie to the final balances of net position per the 6/30/2020 audited financial statements. One prior year adjustment related to grants of easements made to the District in FY 2007-08 will be made. Staff is working with auditors on whether there is a need for additional prior year adjustments.

2. **Comprehensive review of all revenue accounts.** Except for accounts identified below, these accounts agree with the draft final audit trial balance.
 - a. Review of property tax assessment revenue for final resolution of property tax assessment revenue earned in FY 2020-21. Depending on the findings, this may result in a prior year adjustment to net position.
3. **Prepared over 200 lines of adjusting journal entries** to be posted to the District's FY 2020-21 accounting records.

Next Steps:

1. Richardson & Company partner review and sign-off on the audit.
2. District Management's Discussion and Analysis provided to be included with audited financial statements.
3. Preparation and issuance of final financial statements.

MEMORANDUM

DATE: JANUARY 9, 2024
 TO: FINANCE COMMITTEE
 FROM: MIMI MORRIS, GENERAL MANAGER &
 MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION
 SUBJECT: REBALANCING DISTRICT RESERVES

Rebalancing District Reserves requires a cursory understanding of the District’s Funds. There are five Enterprise Funds that correspond to the five services provided by the District:

1. Water
2. Wastewater
3. Drainage
4. Solid Waste
5. Security

The Enterprise Funds are like separate savings accounts for each service activity. They have a Beginning Balance, results from operations over a fiscal year, and an Ending Balance which is referred to as the Net Position. The Net Position also includes the physical plant and equipment (PPE) of the District, net of accumulated depreciation. See below.

FUNDS								
			Admin	Water	Waste water	Drainage	Waste	Security
			100	200	250	260	400	500
Beginning Balances								
	Income							
	Expenses							
	Net Increase (Decrease)							
Ending Balance (Net Position)								
Net Position by Category								
	1. Capital Assets (PPE)							
	2. Restricted for Capital Projects							
	3. Unrestricted							
	Detail on #2 - Restricted for Capital Projects							
	2a. Replacements							
	2b. Water Augmentation							
	2c. Capital Improvements							

This graphic doesn’t include actual numbers because we want to focus on the Net Positions for each fund. For each of these funds, the Net Position includes three categories: 1. Capital Assets (the physical plant and equipment of the District, net of accumulated depreciation); 2. Resources Restricted for Capital Projects; and 3) Unrestricted Resources.

Capital Assets cannot be spent. Unrestricted can be used for any purpose and the Restricted for Capital Projects can be spent on Replacements, Water Augmentation, and Capital Improvements.

These categories are available for every fund, excluding Waste, which has no facilities.

Our concern today is that these funds have a net negative position. Negative enterprise fund balances appear in the District's audits (and therefore, also, in its books) as far back as 17-18, and possibly earlier. In 19-20, the \$1.1 million deficit is comprised of three Enterprise Fund balances in the negative that are offset by positive balances in two other Enterprise Fund balances. See below.

District Reserves						
6/30/2020						
	Water	Sewer	Drainage	Solid Waste	Security	Total
NET POSITION						
Net investment in capital assets	\$ 17,614,070	\$ 8,425,234	\$ 47,370	\$ 528	\$ 357,869	\$ 26,445,071
A Restricted for capital projects	3,683,154	3,216,387	340,310	-	38,025	7,277,876
Unrestricted	(1,265,582)	475,676	(10,903)	87,699	(393,951)	(1,107,061)
	\$ 20,031,642	\$ 12,117,297	\$ 376,777	\$ 88,227	\$ 1,943	\$ 32,615,886
A RESTRICTED:						
	Water	Sewer	Drainage	Security	Total	
Capital replacements	\$ 1,796,308	\$ 3,152,811			\$ 4,949,119	\$14 Reserve Contribution
Water augmentation	1,886,846				\$ 1,886,846	Connection Fees
Capital improvements		63,576	340,310		\$ 403,886	Connection Fees
Security projects				38,025	\$ 38,025	Connection Fees
	\$ 3,683,154	\$ 3,216,387	\$ 340,310	\$ 38,025	\$ 7,277,876	

The negative fund balances are likely due to a variety of factors, including a lack of positive operations, incorrect job costing, and high indirect cost rates.

Regardless of the reason for the imbalances, an organization's operating fund, which is essentially what the Unrestricted Fund is, should not be in a negative position. The delay in closing 20-21 presents an opportunity to address the negative position for at least the water funds and to work toward positive positions in all the Enterprise Funds and toward growth of Reserve Funds for Capital Improvements in the very near future.

An important consideration of reserves is whether they are restricted in their usage. The chart below is an attempt to explain the authority for District Reserves:

DISTRICT RESERVE FUNDS			
1. Restricted	Source of Funds	Purpose/Uses	Authority
i. Reserve Contributions aka Replacements	\$14/month/lot for both Water and Wastewater	Only for Water and Wastewater	District Policy 12-07
iii Water Augmentation	Connection Fees	water	GC 66013
iii Capital Improvements	Connection Fees	water, wastewater, drainage, security and administration	GC 66013
2. Unrestricted			
i. Rate Stabilization	no active source	revenue stabilization as needed	District Policy 12-07
iii Operating Fund	service fees	daily administration, operations, and maintenance	District Policy 12-07

There is a lack of documentation regarding whether the \$14 per month per lot charges for both water and wastewater which were authorized by the Board for replacement reserves were intended to be restricted. These are characterized here as restricted, but the board can determine if those funds can be used as unrestricted if needed to address other needs,

like gaps between revenues and operations that have resulted in negative enterprise fund balances.

At this time, staff proposes addressing the Negative Net Positions of the Water Fund through a transfer of Water Resources from the Capital Replacements fund, eliminating the deficit in Drainage using Property Tax Revenues, and working over the next few years to eliminate the deficit in the Security Fund by both restricting costs and reducing the indirect cost rate for Security.

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MEMORANDUM

DATE: JANUARY 17, 2024
TO: BOARD OF DIRECTORS
FROM: MIMI MORRIS, GENERAL MANAGER AND
MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION
SUBJECT: 23-24 FINANCIAL REPORTS

Year to Date results from operations show revenues in excess of expenditures of \$1.17M. When considering any excess revenues over expenditures, it is important to note that significant portions of the District's revenues are designated for reserves and debt service (\$1.1 million in the FY23-24 budget) or restricted for water augmentation and capital improvements (\$555k in the FY23-24 budget). Of the revenue generated to date in FY23-24, \$743k is considered restricted as noted above. There is also approximately \$1.8M of potential outstanding costs for water studies and capital improvements when comparing actual costs to date to budgeted amounts for the year. Cost management has been a priority of the district in FY23-24 and this is evidenced by YTD operating expenditures which are approximately 8% below budget year to date. Savings like this are important to the success of the District and will help offset the current year's budgeted deficit of \$283k which includes expected capital improvement projects of \$1.9 million.

Rancho Murieta CSD
FY 2023-24 Budget and Actual Summary - By Fund
As of December 31, 2023
All Funds

	Budget	YTD		Remaining
	2023-2024	Total	% of	Budget
	2023-2024	2023-2024	Budget	2023-2024
REVENUES				
100 - Administration	\$ 860,450	\$ 556,526	64.68%	\$ 303,924
200 - Water	4,271,112	2,056,543	48.15%	2,214,569
250 - Wastewater	2,594,401	1,233,803	47.56%	1,360,598
260 - Drainage	240,000	112,214	46.76%	127,786
400 - Solid Waste	1,416,427	700,483	49.45%	715,944
500 - Security	1,587,960	762,004	47.99%	825,956
Total Revenues	10,970,350	5,421,573	49.42%	5,548,777
EXPENDITURES				
100 - Administration	2,046,308	851,369	41.61%	1,194,939
200 - Water	4,054,025	1,085,525	26.78%	2,968,500
250 - Wastewater	2,282,405	1,000,145	43.82%	1,282,260
260 - Drainage	221,694	32,590	14.70%	189,104
400 - Solid Waste	1,394,424	593,888	42.59%	800,536
500 - Security	1,254,124	690,760	55.08%	563,364
Total Expenditures	11,252,980	4,254,277	37.81%	6,998,703
Increase (Decrease) in Net Position	\$ (282,630)	\$ 1,167,295		

Rancho Murieta CSD
FY 2023-24 Summary - By Fund
As of December 31, 2023
AGENCY - WIDE

	<u>Budget</u>	<u>100</u>	<u>200</u>	<u>250</u>	<u>260</u>	<u>400</u>	<u>500</u>	<u>Year to Date</u>	<u>% of</u>	<u>Remaining</u>
	<u>2023-2024</u>	<u>Administrative</u>	<u>Water</u>	<u>Wastewater</u>	<u>Drainage</u>	<u>Solid Waste</u>	<u>Security</u>	<u>Total</u>	<u>Budget</u>	<u>Budget</u>
Projected Beginning Available Fund										
REVENUES										
Property Tax	\$ 818,000	409,000	-	-	-	-	-	409,000	50.00%	\$ 409,000
Charges for Services										
Residential Fees	7,151,819	-	1,346,956	853,915	97,507	700,483	631,768	3,630,629	50.77%	3,521,190
Commercial Fees	978,610	-	238,628	93,460	14,707	-	128,044	474,840	48.52%	503,770
Reserves Fees	896,280	-	229,130	244,758	-	-	-	473,888	52.87%	422,392
WTP Debt Service Fee	196,400	-	94,080	-	-	-	-	94,080	47.90%	102,320
Late Fees & Penalties	38,100	-	-	-	-	-	-	-	0.00%	38,100
Connection and Permit Fees	555,320	-	132,637	41,670	-	-	1,142	175,449	31.59%	379,871
Other Revenue										
Misc Revenue	290,471	-	15,111	-	-	-	1,050	16,161	5.56%	274,310
Interest Income	45,350	147,526	-	-	-	-	-	147,526	325.31%	(102,176)
Total Revenues	10,970,350	556,526	2,056,543	1,233,803	112,214	700,483	762,004	5,421,573	49.42%	5,548,777
EXPENDITURES										
Salaries	2,956,858	360,359	298,145	284,529	11,329	-	404,529	1,358,892	45.96%	1,597,966
Benefits & Pension	1,440,066	185,454	136,122	107,661	12,073	-	165,245	606,556	42.12%	833,510
Insurance	41,081	-	-	-	-	40,580	-	40,580	98.78%	501
Professional Services	873,100	170,645	24,732	20,740	6,996	-	1,170	224,283	25.69%	648,817
Materials & Supplies	500,700	9,885	64,564	41,200	-	-	403	116,053	23.18%	384,647
Maintenance & Repairs	638,100	39,538	158,118	109,534	1,912	-	27,829	336,932	52.80%	301,168
Contract Sub-hauler	1,259,167	-	-	-	-	508,080	-	508,080	40.35%	751,087
County Surcharge	94,176	-	-	-	-	45,228	-	45,228	48.02%	48,948
Utilities	440,000	10,237	95,492	42,088	175	-	15,412	163,405	37.14%	276,595
Other Expenses	701,481	72,251	89,936	103,596	-	-	76,171	341,954	48.75%	359,527
Water Studies	425,000	-	134,774	-	-	-	-	134,774	31.71%	290,226
Capital Improvement	1,883,251	3,000	83,642	290,794	105	-	-	377,541	20.05%	1,505,710
Total Expenditures	11,252,980	851,369	1,085,525	1,000,145	32,590	593,888	690,760	4,254,277	37.81%	6,998,703
RESULTS FROM OPERATIONS	(282,630)	(294,843)	971,018	233,658	79,624	106,595	71,244	1,167,295		
Admin Overhead Allocation										
Property Tax		(409,000)	212,500	141,500	30,000	-	25,000	-		
Interest Income		(147,526)	-	139,719	-	3,904	3,904	-		
Administrative Expenses		851,369	(316,709)	(211,140)	(35,758)	(17,027)	(270,735)	-		
NET ACTIVITY		-	866,808	303,737	73,866	93,471	(170,588)	1,167,295		

Notes

- (A) Property taxes are received in three installments during the year 55% (Dec), 40% (Apr), and 5% (End of year). Property tax has been prorated based on the portion of the year which has elapsed.
- (B) Loan payments and proceeds of \$159,651 are included in Misc Revenue and Other Expenses in the budget column above. These items are not reflected in the actual YTD operating results by fund.

**Rancho Murieta CSD
FY 2023-24 Budget and Actual
As of December 31, 2023
100 Administration Fund**

	Budget 2023-2024	2023-2024 Actual YTD	% of Budget	Remaining Budget 2023-2024
REVENUES				
100 Property Tax	\$ 818,000	409,000	50.0%	\$ 409,000
Charges for Services		-		
Misc Revenue	42,000	-	0.0%	42,000
Interest Income	450	147,526	32783.5%	(147,076)
Total Revenues	860,450	556,526	64.7%	303,924
EXPENDITURES				
Salaries	877,606	360,359	41.1%	517,247
Benefits & Pension	570,002	185,454	32.5%	384,548
Professional Services	435,000	170,645	39.2%	264,355
Materials & Supplies	57,700	9,885	17.1%	47,815
Maintenance & Repairs		39,538	0.0%	(39,538)
Utilities		10,237	0.0%	(10,237)
Other Expenses	106,000	72,251	68.2%	33,749
Capital Improvement		3,000	0.0%	(3,000)
Total Expenditures	2,046,308	851,369	41.6%	1,194,939
RESULTS FROM OPERATIONS	(1,185,858)	(294,843)		

Notes to Budget and Actual:

- (a) Property taxes are received in three installments during the year 55% (Dec), 40% (Apr), and 5% (End of year). For the purposes of this presentation, property tax revenues are recognized on the straight line basis.
- (b) Administrative allocations are made at the end of the fiscal year during the closing process for the external audit.
- (c) Property taxes are allocated as approved per budget resolution to Wastewater, Drainage, Solid Waste and Security.

Rancho Murieta CSD
FY 2023-24 Budget and Actual
As of December 31, 2023
200 Water Fund

	Budget	2023-2024	% of	Remaining
	2023-2024	Actual	Budget	Budget
	2023-2024	YTD	2023-2024	2023-2024
200				
REVENUES				
Charges for Services				
Residential Fees	2,567,000	1,346,956	52.5%	1,220,044
Commercial Fees	427,000	238,628	55.9%	188,372
Reserves Fees	449,232	229,130	51.0%	220,102
WTP Debt Service Fee	196,400	94,080	47.9%	102,320
Late Fees & Penalties	10,000	-	0.0%	10,000
Connection and Permit Fees	544,320	132,637	24.4%	411,683
Other Revenue				
Other Users	8,400	-		
Misc Revenue	68,760	15,111	22.0%	53,649
Total Revenues	4,271,112	2,056,543	48.2%	2,206,169
EXPENDITURES				
01 Supervision				
Salaries	176,098	42,414	24.1%	133,684
Benefits & Pension	49,226	17,756	36.1%	31,470
Professional Services	150,000	14,045	9.4%	135,955
Materials & Supplies	48,600	1,754	3.6%	46,846
Maintenance & Repairs	60,000	23,515	39.2%	36,485
Other Expenses	242,800	89,936	37.0%	152,864
Capital Improvement	993,552	83,642	8.4%	909,910
Water Studies	425,000	134,774	31.7%	290,226
Water Plant Debt	159,651			
Total	2,304,927	407,836	17.7%	1,447,214
02 Source of Supply				
Salaries	25,220	4,046	16.0%	21,174
Benefits & Pension	10,498	22,659	215.8%	(12,161)
Professional Services	50,000	-	0.0%	50,000
Materials & Supplies	27,500	19	0.1%	27,481
Maintenance & Repairs	40,000	16,736	41.8%	23,264
Utilities	93,000	20,008	21.5%	72,992
Other Expenses	5,000	-	0.0%	5,000
Total	251,218	63,468	25.3%	187,750
03 Treatment				
Salaries	284,806	101,599	35.7%	183,207
Benefits & Pension	120,934	50,768	42.0%	70,166
Professional Services	20,000	10,687	53.4%	9,313
Materials & Supplies	155,000	52,932	34.1%	102,068
Maintenance & Repairs	150,000	64,341	42.9%	85,659
Utilities	140,000	52,838	37.7%	87,162
Other Expenses	5,000	-	0.0%	5,000
Total	875,740	333,166	38.0%	542,574
04 Transmission & Delivery				
Salaries	284,806	150,085	52.7%	134,721
Benefits & Pension	105,334	44,939	42.7%	60,395
Professional Services	15,000	-	0.0%	15,000
Materials & Supplies	47,000	9,859	21.0%	37,141
Maintenance & Repairs	80,000	53,526	66.9%	26,474
Utilities	85,000	22,646	26.6%	62,354
Other Expenses	5,000	-	0.0%	5,000
Total	622,140	281,055	45.2%	341,085
TOTAL OPERATING EXPENDITURES	4,054,025	1,085,525	26.8%	2,518,623
RESULTS FROM OPERATIONS	217,087	971,018		

Rancho Murieta CSD
FY 2023-24 Budget and Actual
As of December 31, 2023
250 Wastewater Fund

	Budget	2023-2024	% of	Remaining
	2023-2024	Actual	Budget	Budget
	2023-2024	YTD	2023-2024	2023-2024
Projected Beginning Available Fund				
250				
REVENUES				
Charges for Services				
Residential Fees	1,694,592	853,915	50.4%	840,677
Commercial Fees	228,610	93,460	40.9%	135,150
Reserves Fees	447,048	244,758	54.7%	202,290
WTP Debt Service Fee	-	-	0.0%	-
Late Fees & Penalties	20,000	-	0.0%	20,000
Connection and Permit Fees	2,000	41,670	2083.5%	(39,670)
Other Revenue				
Loan Proceeds	159,651	-		159,651
Interest Income	42,500	-	0.0%	42,500
Total Revenues	2,594,401	1,233,803	47.6%	1,360,598
EXPENDITURES				
01 Supervision				
Salaries	75,659	48,827	64.5%	26,832
Benefits & Pension	31,361	11,183	35.7%	20,178
Professional Services	65,000	12,032	18.5%	52,968
Materials & Supplies	41,500	-	0.0%	41,500
Maintenance & Repairs	75,500	15,639	20.7%	59,861
Other Expenses	125,380	103,596	82.6%	21,784
Capital Improvement	889,699	290,794	32.7%	598,905
Total	1,304,099	482,072	37.0%	822,027
Collection				
05				
Salaries	176,537	169,745	96.2%	6,792
Benefits & Pension	77,155	62,338	80.8%	14,817
Professional Services	3,000	-	0.0%	3,000
Materials & Supplies	3,000	290	9.7%	2,710
Maintenance & Repairs	100,000	24,467	24.5%	75,533
Utilities	72,000	30,023	41.7%	41,977
Total	431,692	286,862	66.5%	144,830
Treatment				
06				
Salaries	214,367	65,957	30.8%	148,410
Benefits & Pension	87,247	34,141	39.1%	53,106
Professional Services	2,000	8,708	435.4%	(6,708)
Materials & Supplies	90,000	40,910	45.5%	49,090
Maintenance & Repairs	100,000	69,428	69.4%	30,572
Utilities	50,000	12,066	24.1%	37,934
Other Expenses	3,000	-	0.0%	3,000
Total	546,614	231,210	42.3%	315,404
TOTAL OPERATING EXPENDITURES	2,282,405	1,000,145	43.8%	1,282,260
RESULTS FROM OPERATIONS	311,996	192,784		

Rancho Murieta CSD
FY 2023-24 Budget and Actual
As of December 31, 2023
260 Drainage Fund

	Budget 2023-2024	2023-2024 Actual YTD	% of Budget	Remaining Budget 2023-2024
Projected Beginning Available Fund				
260				
REVENUES				
Charges for Services				
Residential Fees	191,000	97,507	51.1%	93,493
Commercial Fees	49,000	14,707	30.0%	34,293
Total Revenues	240,000	112,214	46.8%	127,786
EXPENDITURES				
Salaries	113,488	11,329	10.0%	102,159
Benefits & Pension	29,806	12,073	40.5%	17,733
Professional Services	33,500	6,996	20.9%	26,504
Materials & Supplies	19,400	-	0.0%	19,400
Maintenance & Repairs	12,000	1,912	15.9%	10,088
Other Expenses	13,500	-	0.0%	13,500
Capital Improvement		105	0.0%	(105)
TOTAL OPERATING EXPENDITURES	221,694	32,590	14.7%	189,104
RESULTS FROM OPERATIONS	18,306	79,624		

**Rancho Murieta CSD
 FY 2023-24 Budget and Actual
 As of December 31, 2023
 400 Solid Waste Fund**

	Budget 2023-2024	2023-2024 Actual YTD	% of Budget	Remaining Budget 2023-2024
400 Projected Beginning Available Fund				
REVENUES				
Charges for Services				
Residential Fees	1,415,227	700,483	49.5%	714,744
Other Revenue				
Interest Income	1,200	-	0.0%	1,200
Total Revenues	1,416,427	700,483	49.5%	715,944
EXPENDITURES				
Contract Sub-hauler	1,259,167	508,080	40.4%	751,087
Insurance	41,081	40,580	98.8%	501
County Surcharge	94,176	45,228	48.0%	48,948
TOTAL OPERATING EXPENDITURES	1,394,424	593,888	42.6%	800,536
RESULTS FROM OPERATIONS	22,003	106,595		

Rancho Murieta CSD
FY 2023-24 Budget and Actual
As of December 31, 2023
500 Security Fund

	Budget 2023-2024	2023-2024 Actual YTD	% of Budget	Remaining Budget 2023-2024
Projected Beginning Available Fund				
500				
REVENUES				
Charges for Services				
Residential Fees	\$ 1,284,000	631,768	49.2%	652,232
Commercial Fees	274,000	128,044	46.7%	145,956
Late Fees & Penalties	8,100	-	0.0%	8,100
Connection and Permit Fees	9,000	1,142	12.7%	7,858
Other Revenue				
Misc Revenue	11,660	1,050	9.0%	10,610
Interest Income	1,200	-	0.0%	1,200
Total Revenues	1,587,960	762,004	48.0%	825,956
EXPENDITURES				
01 Supervision				
Salaries	113,580	62,956	55.4%	50,624
Benefits & Pension	56,998	30,475	53.5%	26,523
Professional Services	5,900	653	11.1%	5,247
Materials & Supplies	1,000	-	0.0%	1,000
Maintenance & Repairs	2,000	1,082	54.1%	918
Other Expenses	2,150	68,501	3186.1%	(66,351)
Total	181,628	163,667	90.1%	17,961
07 Gate				
Salaries	424,227	248,802	58.6%	175,425
Benefits & Pension	197,326	97,460	49.4%	99,866
Professional Services	50,900	145	0.3%	50,755
Materials & Supplies	5,000	12	0.2%	4,988
Maintenance & Repairs	7,600	8,058	106.0%	(458)
Utilities	-	11,083	0.0%	(11,083)
Other Expenses	17,000	6,410	37.7%	10,590
Total	702,053	371,970	53.0%	330,083
08 Patrol				
Salaries	190,464	92,771	48.7%	97,693
Benefits & Pension	104,179	37,310	35.8%	66,869
Professional Services	42,800	372	0.9%	42,428
Materials & Supplies	5,000	391	7.8%	4,609
Maintenance & Repairs	11,000	18,690	169.9%	(7,690)
Utilities	-	4,328	0.0%	(4,328)
Other Expenses	17,000	1,260	7.4%	15,740
Total	370,443	155,123	41.9%	215,320
TOTAL OPERATING EXPENDITURES	1,254,124	690,760	55.1%	563,364
RESULTS FROM OPERATIONS	333,836	71,244		

MEMORANDUM

DATE: JANUARY 17, 2024
TO: BOARD OF DIRECTORS
FROM: MIMI MORRIS, GENERAL MANAGER AND
MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION
SUBJECT: **District 24-25 Budget**

Staff is working on preparing the 24-25 Budget and has been reviewing the 23-24 budgets which the Operations and Security units and with Administrative staff in order to determine what is needed for the budget year. Staff has also solicited data regarding service rate increases from nearby water providers and is compiling that data together to help explain how any proposed increases compare to similar providers.

Additionally, staff has been developing alternative methodologies to guide the distribution of administrative costs that more closely align with the administrative resources used by specific units. Administrative cost distribution methodologies are often referred to as “Indirect Cost Rates” or “Administrative Cost Rates.” The District paid an outside consultant to create an indirect cost rate in 2020, but staff has extensively reviewed this rate and determined that there is room for improvement in the approach.

Accordingly, we present a proposed revision to the 24-25 indirect cost rate for your consideration, as well as a year by year analysis going back to FY20-2 for potential retroactive application.

**Rancho Murieta CSD
Indirect Cost Allocation
Year over Year Comparison**



FY 23-24							
	General	Water	Sewer	Drainage	Solid Waste	Security	TOTAL
Revenue	818,000	3,277,560	2,147,353	240,000	1,416,427	1,587,960	9,487,300
Op ex	2,003,858	3,060,473	1,392,706	221,694	1,394,424	1,254,124	9,327,279
Change in Net Position Before Allocation	(1,185,858)	217,087	754,647	18,306	22,003	333,836	160,021
ICR# 1							
Allocation Rate (ICR# 1)		37%	25%	4%	2%	32%	100%
IC Allocation (ICR# 1)	(2,003,858)	745,435	496,957	84,162	40,077	637,227	2,003,858
Change in Net Position		(528,348)	257,690	(65,856)	(18,074)	(303,391)	(1,843,837)
ICR# 2							
Allocation Rate (ICR# 2)		52%	27%	3%	4%	14%	100%
IC Allocation (ICR#2)	(2,003,858)	1,042,006	541,042	60,116	80,154	280,540	2,003,858
Change in Net Position		(824,919)	213,605	(41,810)	(58,151)	53,296	(1,843,837)
Net difference between ICR#1 and #2		(296,571)	(44,085)	24,046	(40,077)	356,687	-

FY 22-23							
	General	Water	Sewer	Drainage	Solid Waste	Security	TOTAL
Revenue	817,450	2,905,332	1,703,379	240,644	961,093	1,645,217	8,273,115
Op ex	1,977,786	2,076,091	1,372,539	247,781	1,032,280	1,438,206	8,144,683
Change in Net Position Before Allocation	(1,160,336)	829,241	330,840	(7,137)	(71,187)	207,011	128,432
ICR# 1							
Allocation Rate (ICR# 1)		37%	25%	4%	2%	32%	100%
IC Allocation (ICR# 1)	(1,977,786)	744,258	490,491	82,646	38,789	621,602	-
Change in Net Position		84,983	(159,651)	(89,783)	(109,976)	(414,591)	128,432
ICR# 2							
Allocation Rate (ICR# 2)		52%	27%	3%	4%	14%	100%
IC Allocation (ICR#2)	(1,977,786)	1,028,449	534,002	59,334	79,111	276,890	-
Change in Net Position		(199,208)	(203,162)	(66,471)	(150,298)	(69,879)	128,432
Net difference between ICR#1 and #2		(284,191)	(43,511)	23,312	(40,322)	344,712	-

FY 21-22							
	General	Water	Sewer	Drainage	Solid Waste	Security	TOTAL
Revenue	756,290	2,634,526	1,660,269	214,916	986,086	1,568,266	7,820,353
Op ex	1,976,561	1,895,710	1,159,843	214,428	922,243	1,392,246	7,561,031
Change in Net Position Before Allocation	(1,220,271)	738,816	500,426	488	63,843	176,020	259,322
ICR# 1							
Allocation Rate (ICR# 1)		37%	25%	4%	2%	32%	100%
IC Allocation (ICR# 1)	(1,976,561)	736,038	490,188	82,595	39,204	628,536	-
Change in Net Position		2,778	10,238	(82,107)	24,639	(452,516)	259,322
ICR# 2							
Allocation Rate (ICR# 2)		52%	27%	3%	4%	14%	100%
IC Allocation (ICR#2)	(1,976,561)	1,027,812	533,671	59,297	79,062	276,719	-
Change in Net Position		(288,996)	(33,245)	(58,809)	(15,219)	(100,699)	259,322
Net difference between ICR#1 and #2		(291,774)	(43,483)	23,298	(39,858)	351,817	-

FY 20-21							
	General	Water	Sewer	Drainage	Solid Waste	Security	TOTAL
Revenue	722,210	2,507,729	1,513,570	217,192	735,479	1,526,347	7,222,527
Op ex	1,825,904	1,816,957	1,248,848	204,778	715,708	1,410,332	7,222,527
Change in Net Position Before Allocation	(1,103,694)	690,772	264,722	12,414	19,771	116,015	-
ICR# 1							
Allocation Rate (ICR# 1)		37%	25%	4%	2%	32%	100%
IC Allocation (ICR# 1)	(1,825,904)	679,974	452,787	76,300	36,216	580,627	-
Change in Net Position		10,798	(188,065)	(63,886)	(16,445)	(464,612)	-
ICR# 2							
Allocation Rate (ICR# 2)		52%	27%	3%	4%	14%	100%
IC Allocation (ICR#2)	(1,825,904)	949,470	492,994	54,777	73,036	255,627	-
Change in Net Position		(258,698)	(228,272)	(42,363)	(53,265)	(139,612)	-
Net difference between ICR#1 and #2		(269,496)	(40,207)	21,523	(36,820)	325,000	-

MEMORANDUM

Date: January 17, 2024
To: Board of Directors
From: Kelly Benitez, Security Supervisor
Subject: Security Update Report for December

OPERATIONS UPDATES

The Department is currently working on the following projects:

- Currently we have 8 full-time and 3 part-time gate officers
- 3 full-time patrol officers and 3 vacant positions
- We had 93 Patrol shifts in December and 38 were not covered
- Fleet Update (2) Toyota Trucks and (1) Ford Ranger in shop
- Dash Camera for truck waiting on delivery, RMA gift (2024)
- Trauma Kits for CSD

Rancho Murieta Association activity:

We continue to work with the RMA Leadership regularly. Our focus is to improve our level of service and have positive contact with residents. The following list is the current focus of our meetings.

- General non-arch rules enforcement (see Violation Summary Report): continued to attend RMA Compliance meetings
- Met with both Compliance Officers (Day assistance)
- Met with GM at RMC to discuss gates and 4th of July 24
- New Dash Camera System

Rancho Murieta Community Members:

- Lt Quirate SSD, (Volunteer)
- 2 background officers
- Metro Fire Captain (4th of July)
- Concerned citizen about race relations in security logs

Rancho Murieta Association
Violation Item Summary Report -- 2023
(This report includes RMA & CSD issued violations)

Violation Item Summary Report	Jan		Feb		March		April		May		June		July	
	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA
Motor vehicle violations:														
Motorcycle														
No drivers license			0	1					1	0	0	1	1	1
Speeding	0	37	16	70	19	47	29	48	25	27	7	9	6	3
Speeding - twice speed limit														
Stop signs	17	7	35	18	11	9	29	1	18	9	9	3	5	4
Bus stop signs														
Use of streets							0	1	1	0				
Parking:														
Driveway parking	0	3			10	16	4	7	0	13			1	2
Guest parking					3	0	2	4	1	4			1	1
Overnight street parking	0	1			2	13	12	4	27	7	18	1	9	0
Unauthorized Vehicle (24 hr pass)			1	0	1	6	0	3	0	1			0	4
Accumulation/dumping of debris			0	2			0	1	0	1			1	0
Boat Usage					1	0	2	0	3	0	3	0	3	0
Barbeques, open fires, bonfires														
Carrying passengers/overloaded cart									0	1				
Clothes lines														
Commercial vehicle lettering	0	1							0	1				
Construction overnight parking														
Park hours / curfew			2	0			1	0			3	0	5	0
Decorative lights														
Discharge of firearm														
Chickens					0	1	0	1	0	3				
Dwelling exterior alterations														
Failure to identify														
Golf Cart Decals													6	0
Guest w/o resident in comm areas			1	0					0	1			1	0
Home business activities														
Noxious activities									1	0			1	1
Open garage doors									9	0				
Pets - off leash/teathered/waste/#	0	1	1	0	0	1	1	0					1	0
Property maintenance			0	4	0	3	0	28	0	22	0	9	0	22
Sign rules					0	1								
Sports equip/trampoline/basketball	0	2	0	2	0	6	0	5	0	8	0	5	0	1
Storage of building materials														
Stored vehicles							0	1	0	5	0	2	0	4
Trash containers			0	2	0	3	0	1	0	4				
Use of common areas & facilities	0	2	0	2							0	1		
Use of Fireworks													2	3
Vandalism														
Vehicle repair or maintenance														
Interference-Identification RMA/RMCS													0	1
Working days & hours														
Total Violations	17	54	56	101	47	106	80	105	86	107	40	31	43	47
Citations written by RMCS		17		56		47		80		86		40		43
Citations written by RMA		54		101		106		105		107		31		47
Total Violations		71		157		153		185		193		71		90

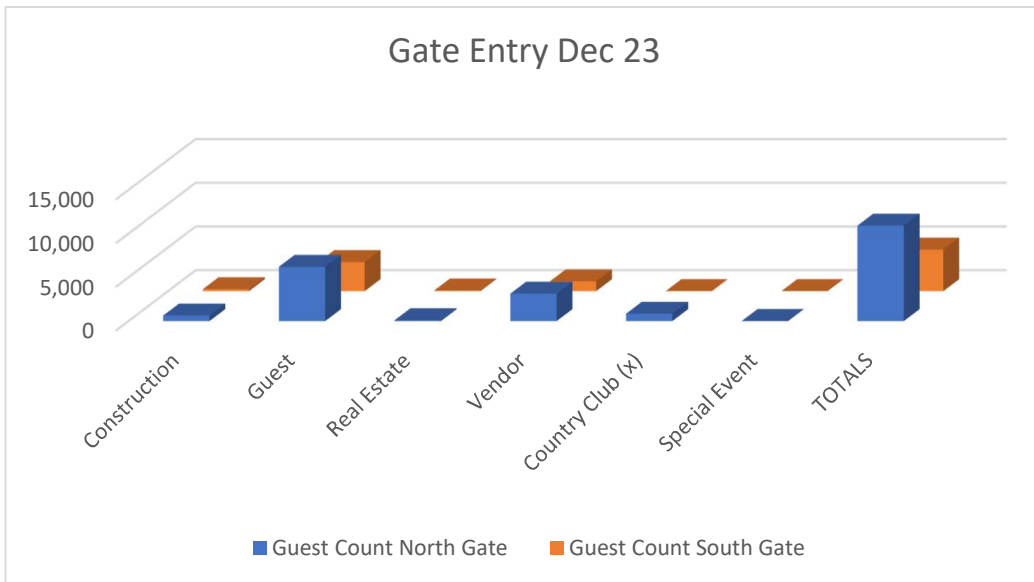
	August		September		October		November		December		Totals	
Violation Item Summary Report	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA
Motor vehicle violations:												
Motorcycle											0	0
No drivers license	1	1					4	0			7	4
Speeding	0	16	2	3	3	28	0	30	0	12	107	330
Speeding - twice speed limit											0	0
Stop signs	48	0	17	3	21	0	32	2	12	1	254	57
Bus stop signs											0	0
Use of streets	1	0									2	1
Parking:												
Driveway parking	0	2	1	5	1	1	2	3	8	0	27	52
Guest parking	1	2	12	1	8	0	4	0	4	1	36	13
Overnight street parking	9	1	22	1	10	4	23	5	33	0	165	37
Unauthorized Vehicle (24 hr pass)	0	4	5	2	8	0	5	0	4		24	20
Accumulation/dumping of debris			0	1			0	1	0	1	1	7
Boat Usage	3	0	1	0			1	0	1	0	18	0
Barbeques, open fires, bonfires											0	0
Carrying passengers/overloaded cart	1	0					1	0			2	1
Clothes lines											0	0
Commercial vehicle lettering											0	2
Construction overnight parking											0	0
Park hours / curfew	3	0	5	0			0	1	2	0	21	1
Decorative lights											0	0
Discharge of firearm											0	0
Chickens			0	2	0	1					0	8
Dwelling exterior alterations											0	0
Failure to identify											0	0
Golf Cart Decals											6	0
Guest w/o resident in comm areas											2	1
Home business activities											0	0
Noxious activities			0	1					0	1	2	3
Open garage doors	0	2	0	2							9	4
Pets - off leash/teathered/waste/#					1	1			0	3	4	6
Property maintenance	0	5	0	17	0	10	0	21	0	15	0	156
Sign rules											0	1
Sports equip/trampoline/basketball											0	29
Storage of building materials	0	1									0	1
Stored vehicles	0	3	2	2					0	4	2	21
Trash containers									0	2	0	12
Use of common areas & facilities	0	1	0	2			0	1			0	9
Use of Fireworks											2	3
Vandalism											0	0
Vehicle repair or maintenance											0	0
Interference-Identification RMA/RMCSD	0	1	1	0							1	2
Working days & hours											0	0
Total Violations	67	40	68	42	52	45	72	64	64	40	692	781
Citations written by RMCSD		67		68		52		72		64		692
Citations written by RMA		40		42		45		64		40		782
Total Violations		107		110		97	0	136	0	104		1474

Gate Entries by Type

December 1 - 31, 2023

Pass Type	Guest Count North Gate	Guest Count South Gate	Count by Pass Type
Construction	631	221	852
Guest	6,213	3,327	9,540
Real Estate	99	78	177
Vendor	3,136	1,123	4,259
Country Club (x)	841	1	842
Special Event	14	0	14
TOTALS	10,924	4,750	15,674

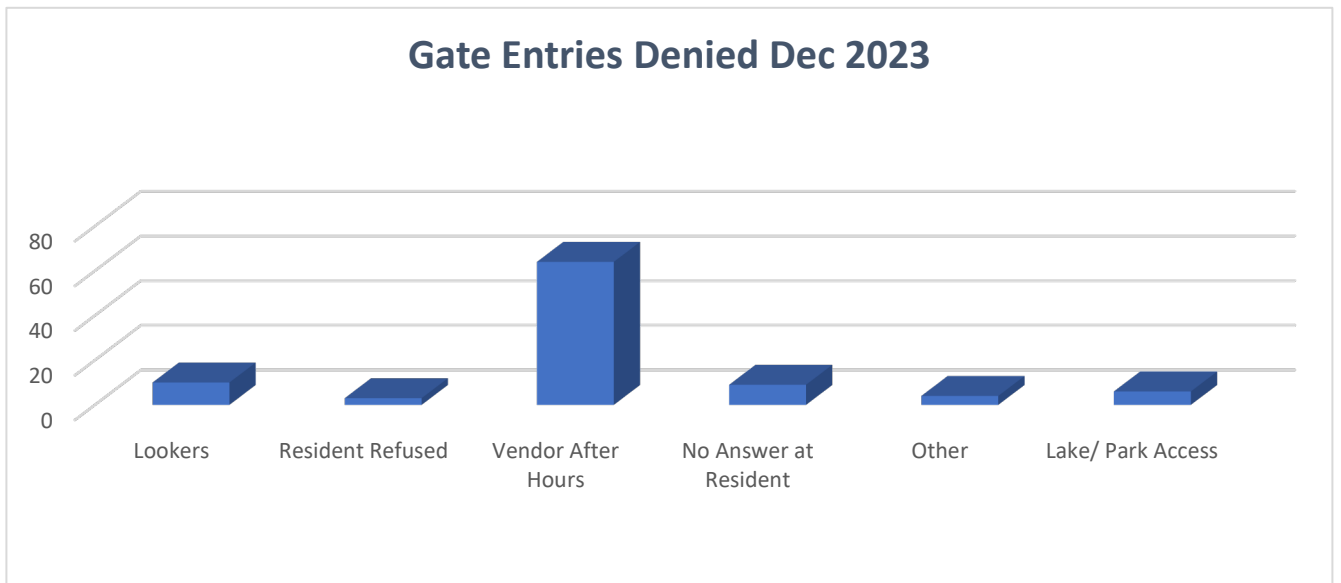
Prior Month Totals:
9,358
7,495
16,853



Gate Entries Denied December 1-31, 2023

	Lookers	Resident Refused	Vendor After Hours	No Answer at Resident	Other	Lake/ Park Access	TOTAL
All Gates	10	3	64	9	4	6	96

Prior Month Totals: 9 1 40 9 2 4 65





Rancho Murieta CSD Security

15160 Jackson Rd
Rancho Murieta, CA 95662

Cases - Breakdown by Type

ABANDONED DISABLED VEH	2
ALARM	4
ANIMAL COMPLAINT	9
ASSIST OTHER AGENCY	2
BURGLARY	2
CITATION	53
DISTURBANCE	1
ESCORT	1
EXTRA PATROL	52
FIRE	1
FOLLOW UP	1
GAS LEAK	1
GUN SHOTS	1
JUVENILE DELIQUENCY	2
LOST/FOUND PROPERTY	8
MEDICAL AID	1
MISCELLANEOUS	7
OPEN DOOR	1
PARKING	1
PATROL DETAIL	1
REFUSED ENTRY	82
RESIDENT COMPLAINT	22
RMA RULE VIOLATION	2
SPEEDING COMPLAINT	4
STOLEN/LOST PROPERTY	1

STOLEN/MISSING VEHICLE	1
STOP SIGN VIOLATION	5
SUSPICIOUS ACTIVITY	4
SUSPICIOUS PERSON	3
SUSPICIOUS VEHICLE	2
TRAFFIC ENFORCEMENT	1
TRESPASSING	3
VANDALISM	1
VEHICLE ACCIDENT	9
WATER LEAK	1
WELFARE CHECK	3
Total	295



Incidents of Note

On Saturday, December 02, 2023, at 1610 hours, CSD Security was dispatched to a possible distressed female who was located at the AT@T building on Scott Road. CSD Security arrived on the scene and discovered an incoherent female adult slumped over under a tree. The adult stated that she had consumed methamphetamine and feared that she might have overdosed on the substance. CSD Security immediately had the Metropolitan Fire Department respond and the victim was transported to the hospital.

On Wednesday, December 6, 2023, a resident in the village reported that her yellow Ryobi Leaf Blower was stolen from her carport the previous night. The resident had left the leaf blower unsecured in the back of her golf cart. The suspect(s) also removed two bottles of water from the back of the golf cart and poured the contents onto the victim's front seat of the golf cart before fleeing with the leaf blower. CSD security responded and checked the area for witness or video camera footage with negative results. CSD advised the victim to contact the SSD to file a police report.

MEMORANDUM

Date: January 17, 2023
To: Board of Directors
From: Michael Fritschi, P.E. – Operations Director
From: Michael Fritschi, Director of Operations & Travis Bohannon, Chief Plant Operator
Subject: December Utility Report

WATER

Water Treatment Facility

Plant 1 is in operation and is currently producing potable water at a rate of 1 million gallons per day. Plant 2 is currently offline.

Water Consumption

As of December 31, 2023, the total potable water production for 2023 is 1,580 acre-ft, with 81.5 acre-ft used in the month of December.

Raw Water Storage & Delivery

The total water currently stored between Clementia, Chesbro, and Calero totaled 3,295 acre-ft as of January 3, 2024. The District began pumping from the Cosumnes on the 6th of November and has pumped a season total of 575 acre-ft as of December 31, 2023.

Table 1. Current water and wastewater storage as of January 3, 2024

	acre-ft January 2024	acre-ft full	%full
Clementia Storage	906.8	907.1	99.96%
Chesbro Storage	792.7	1027.0	77%
Calero Storage	1595.6	2323.3	69%
Total of all Raw Water Reservoirs	3295.1	4257.4	77%
Wastewater Storage Reservoir available for production	222.1	796.3	28%

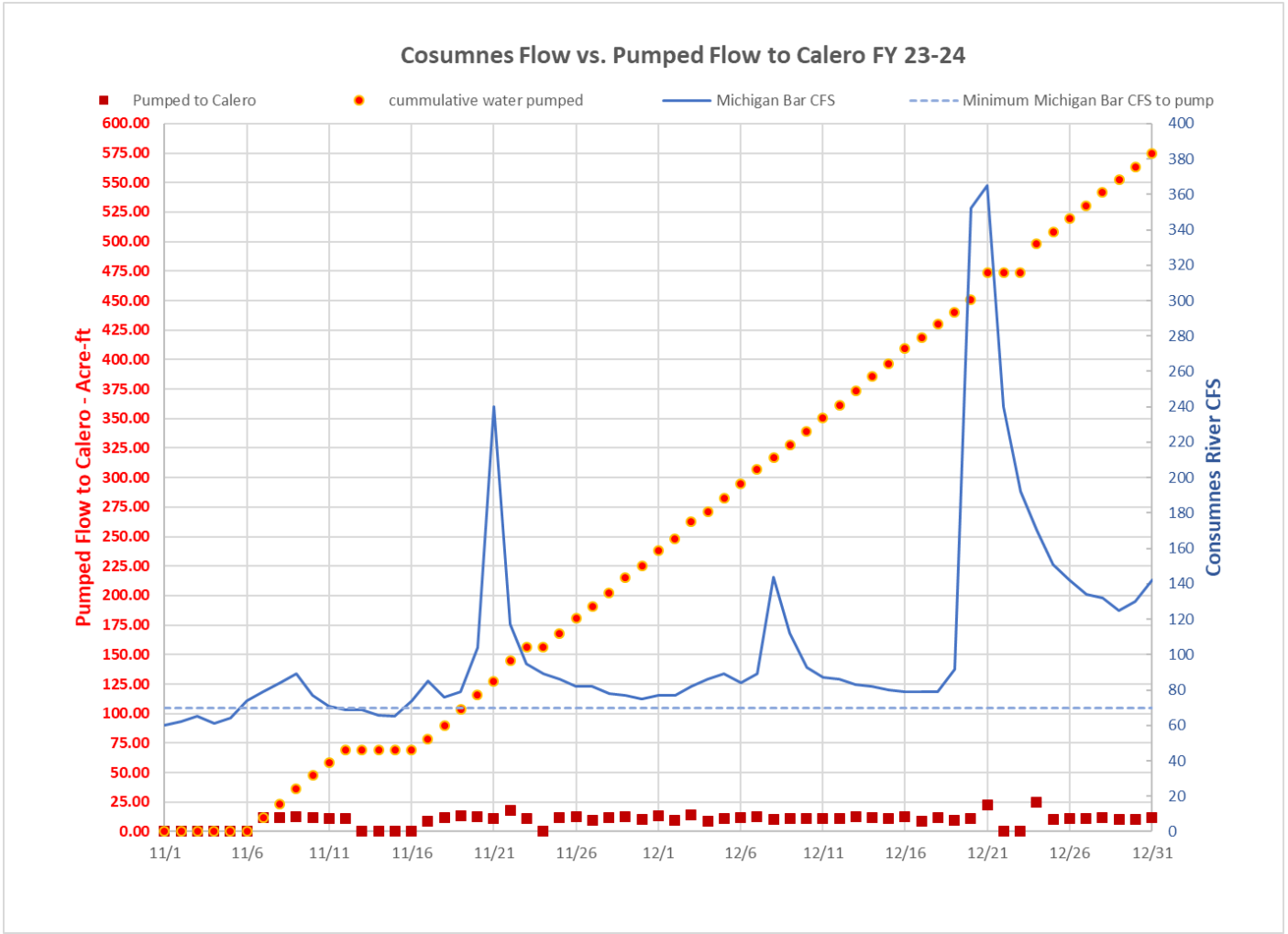


Figure 1. Cumulative Raw Water Pumping and Cosumnes River Flow

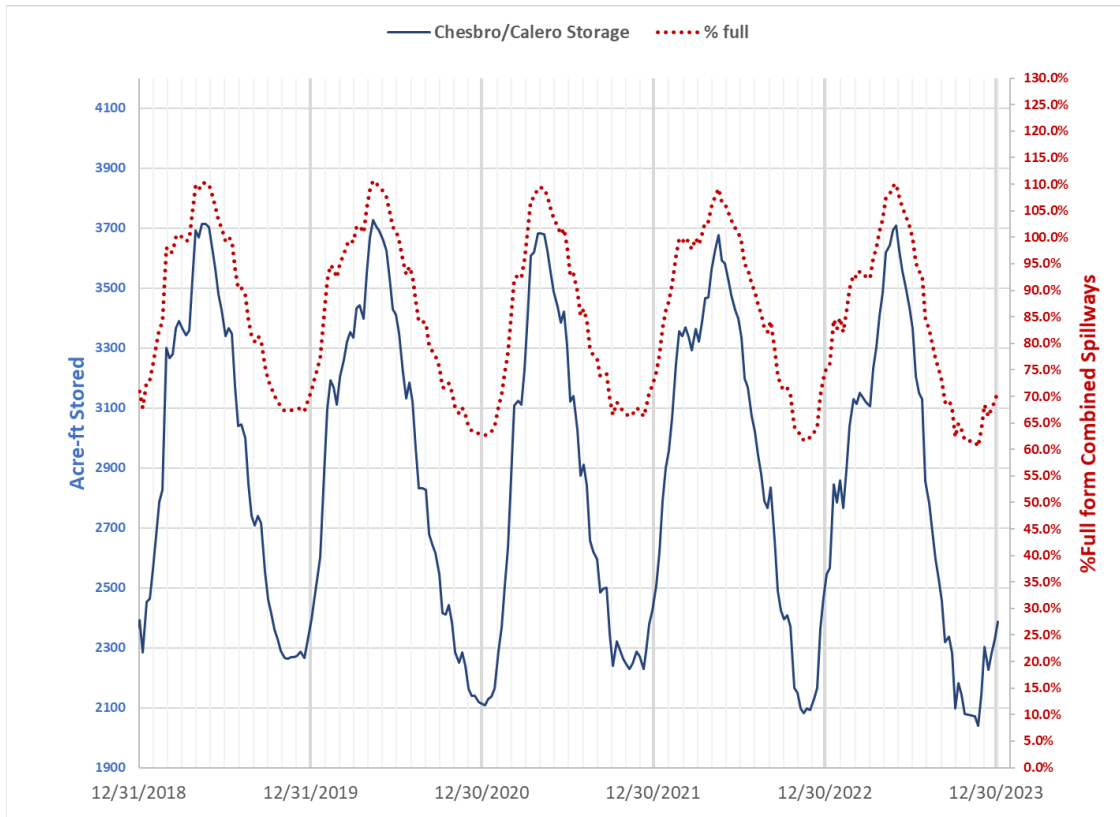


Figure 2. Five-year Chesbro / Calero Storage Curves

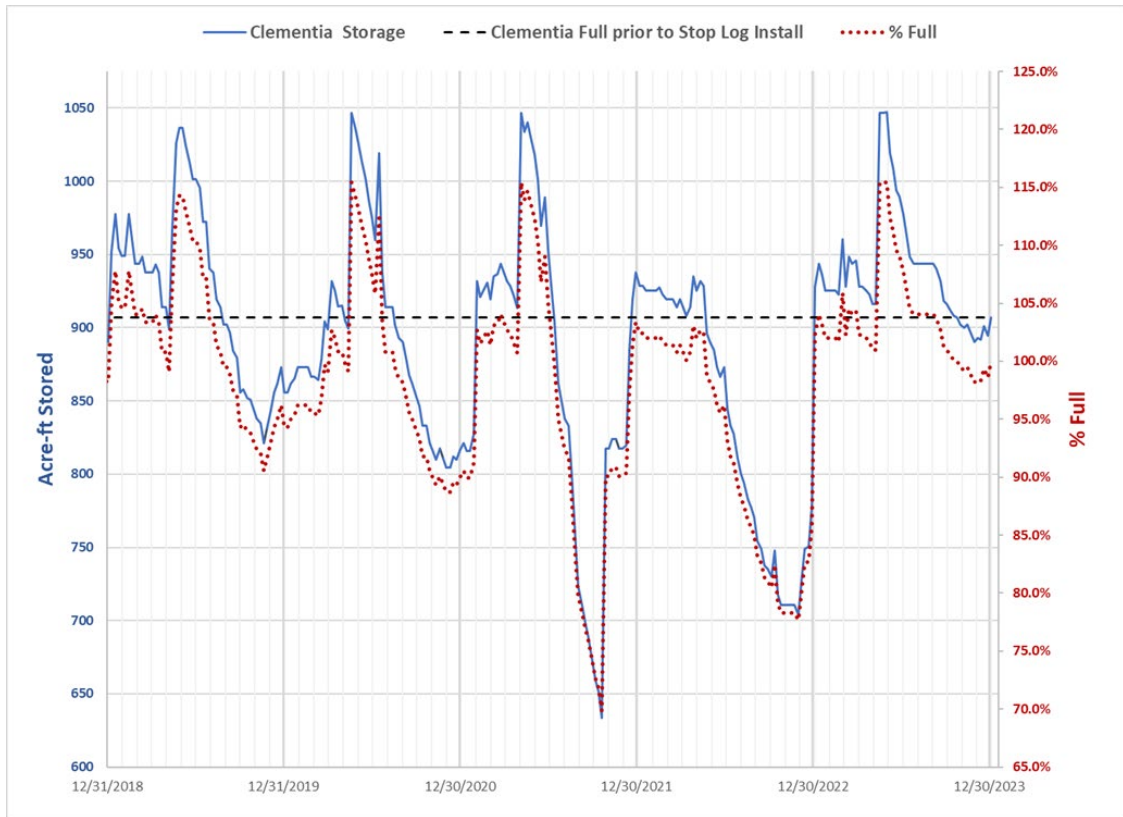


Figure 3. Five-year Clementia Storage Curves

SEWER

Wastewater Facility

The tertiary process of the wastewater facility is currently offline for the season. The current average dry weather influent flow to the wastewater facility for December was 0.41 MGD.

UTILITY CREW WORK

Utility Crew Report December 2023

- 1) Due to the weight of the District vehicle and trailer combinations of less than 26,001 LB, it was verified by the agent of our CA DOT Motor Carrier Permits and Safety Reporting System that no commercial driver's license (CDL) is required for District employees.
- 2) Staff had six field markings for 811 USA locations completed.
- 3) Staff received service calls related to issues of high-water usage, water leaks and high-water bills. Three calls were for high water usage and staff talked to two of those customers and found that irrigation issues were the root cause of the high usage based on meter usage reports.
- 4) The utility crew responded to two water leaks in the month of December and replaced four service lines.
- 5) An air release valve (ARV) located in the Bel Air parking lot was broken off by a hit and run vehicle. This caused water to run from a 1" pipe for several hours before water could be shut off and repairs made. An estimated 4,000 gallons was lost from the event.
- 6) Three water meters were replaced in December along with one smart point sending unit.
- 7) Staff responded to a homeowner call with a sewer issue investigated. The issue turned out to be a private sewer issue and was resolved by the homeowner.
- 8) The crew completed 2,954 feet of sewer mainline jetting in Murieta north Unit 4.
- 9) Drainage facilities were inspected before and after rain event on December 18, 2023. Inspection includes removing debris from ditches and observing drainage to be free and clear.

Work planned for January/February:

- a) Replace two service lines on Ventana Dr. This will require trenching the road to install new lines already attempted to pull in new lines and failed due to larger rocks in the backfill.
- b) Repair water leak located on Celebrar.
- c) Electrical work at basin 5 (Lost Lake) dig trenches for electrical work – need several days of good weather for the excavation and conduit installation.
- d) Ground new meter for airport.
- e) Smoke test sewer main, Lateral 'E' between Via Del Cerrito and Camino De Luna in common area to ensure that the sewer pipe is intact and in a serviceable condition.
- f) Murieta Plaza needs to upgrade the fire service backflow device due to being out of compliance with new regulations. They are preparing to start with one that services the building by the Day Care. No progress on this yet. Met with staff about this to discuss how we will proceed. Staff will be attending backflow update training in January and we will meet to discuss requirements after the training and as the new regulations take effect in the new year.

Information for capital projects has been updated for the current fiscal year 23-24. The attached matrix has been created to track the status of projects.

DEVELOPMENT

Retreats North & East – Of the 40 homes that the developer has permitted, 17 of those homes have been sold.

Residence of Murieta Hills East & West – The District has released conditional will serve notices for the Residence West Unit 1 and Residence East Unit 1 for water and sewer capacity. The Unit 1 projects are applying for final map recording.

Riverview Phase 1 – The developer has built (4) homes in phase 1A, those homes are model homes and have not been sold. For phase 1B, the developer has constructed (8) homes out of (23) homes and has sold (4) homes.

Riverview Phase 2 – The Developer has issued updated plans for the phase 2 development based on District comments. The phase 2 plans have been reviewed and comments provided to the developer.

Murieta Gardens Commercial – No Update

Fiscal Year 23-24 Capital Improvement Plan Matrix

Water	Project	Budget FY 23-24	Spent to Date FY 23-24 (est)	status	Est % complete
24-200-01	Water portion of CIP/5-year rate study	\$ 225,000.00	\$ 8,534.00	<i>Rate Study was removed from Scope of services</i>	60%
23-20-01	Integrated Water Master Plan	\$ 313,369.00	\$ 145,395.10	<i>Two contract amendments were approved, increasing the CIP project budget by \$113,369. Phase 1 and Phase 2 of master plan are complete, with the first phase completed in FY 22-23. Current contract is \$408,369 of which \$302,175 is spent.</i>	60%
24-200-03	Water GIS Updates	\$ 25,000.00	\$ 7,275.00	<i>completed initial water pipe mapping</i>	29%
24-200-04	Water Condition Assessment	\$ 30,000.00	\$ -	<i>not started - researching assessment methods</i>	0%
23-06-01	Rio Oso Improvement Study	\$ 61,000.00	\$ 465.00	<i>Contract awarded and in progress</i>	20%
23-10-01	WTP Chlorine to NaOCl replacement	\$ 700,000.00	\$ 17,492.80	<i>Design mostly completed waiting on updated electrical sheets and Opinion of Probable Construction Cost. Majority of design was completed in FY 22-23</i>	30%
23-04-01	Granlees Safety Rehabilitation	\$ 822,000.00	\$ 29,712.50	<i>Design completed and under District Review</i>	30%
	Total	\$2,176,369.00	\$ 208,874.40		
Wastewater	Project	Budget FY 23-24	Spent to Date FY 23-24 (est)	status	Est % complete
24-250-01	Wastewater portion of CIP/5-year rate study	\$ 175,000.00	\$ 8,534.00	<i>Rate Study was removed from Scope of services</i>	60%
24-250-02	Wastewater GIS Updates	\$ 25,000.00	\$ 7,150.00	<i>continue sewer updates and begin integrating condition assessment data</i>	29%
24-250-03	Wastewater Condition Assessment	\$ 30,000.00	\$ -	<i>CCTV work to be completed in the spring</i>	0%
23-11-02	Complete Lift Station Generator Projects	\$ 450,000.00	\$ 13,672.50	<i>Design at 75% complete</i>	15%
23-11-02	Complete Lift Station Rehabilitation Projects	\$ 300,000.00	\$ 136,757.25	<i>Lift 3B work complete. Alameda and Starter Shack at the preliminary design level.</i>	40%
24-250-07	Main lift North Pump Replacement	\$ 65,000.00	\$ 71,775.00	<i>Pump has been ordered and is expected within the month</i>	90%
24-250-08	Main lift North Roof Repair	\$ 15,000.00	\$ -	<i>In process of obtaining bids</i>	10%
23-14-02	Complete WWTF Chlorine to NaOCl & Contact Tank Rehab	\$1,400,000.00	\$ 13,528.50	<i>Completed preliminary design analysis. Some preliminary work completed in FY 22-23.</i>	10%
	Total	\$2,460,000.00	\$ 251,417.25		

Rancho Murieta Community Services District February

Board/Committee Meeting Schedule

February 1, 2024

Communications & Technology 8:30 a.m.

February 6, 2024

Improvements 8:00 a.m.
Finance 10:00 a.m.

February 21, 2024

Regular Board Meeting - Open Session 5:00 p.m.



All meetings will be held in person at the District Office: 15160 Jackson Rd.



Rancho Murieta Association

January 11, 2024

Sent via Email and Hand Delivered

Melinda Morris, RMCS D General Manager, and the RMCS D Board of Directors
RMCS D Offices
15160 Jackson Road
Rancho Murieta, CA 95683

Re: The Residences East Trail

Dear Mimi and RMCS D Directors,

I am writing you on behalf of the Rancho Murieta Association (RMA) Board of Directors in anticipation of an agenda item that will be discussed during the CSD Board meeting on Wednesday, January 17, 2024.

Developer Bob Keil, who is the primary spokesperson for the Residences East development, has requested a Parks Committee (Parks) meeting to propose changes to the surface, construction and intended use of the one trail planned for the entire Residences development. If that Parks meeting is held, Mr. Keil will ask the committee to vote in favor of a “natural” non-paved trail which would be a substantial deviation from the previously approved Class I trail design.

The RMA Board has reviewed Mr. Keil’s latest trail proposal and has directed the two RMA Parks representatives (John Van Doren and me) to oppose that proposal if and when a Parks meeting is held. Because the two developers on Parks, Mr. Keil and Tony Valez, will vote in favor of the change, the designated CSD Parks representative will be the “tie-breaking” vote. The importance of the direction the CSD Board gives to the designated CSD Parks representative who will cast that vote cannot be overstated.

For the reasons explained in this letter, the RMA Board respectfully asks that 1) you direct your Parks representative to reject Mr. Keil’s unilateral request for a Parks meeting, and 2) if a Parks Committee meeting is held, you direct your Parks representative to oppose any motion that deviates from the Parks prior approved Class I trail design.

The Residences Development Status

The Residences property is made up of the Residences East (East) and the Residences West (West) and covers an area located east and north of Stonehouse Park. The entire Residences property is 146 acres. The East is 86 acres, and the West is 60 acres. Developers plan to build 99 homes at the East and 99 homes at the West. Most of the 198 homes will be one-story homes.

Mr. Keil has informed RMA that he submitted plans to Sacramento County to begin grading at the East early in the second quarter of 2024. The East and the West will be developed in different phases. 25 homes built at the East will be what Mr. Keil refers to as “semi-custom” homes and the remaining 74 homes will be custom homes. The RMA Board anticipates annexation will be discussed with the Residences developers in the near future.

According to Mr. Keil, the “Phase I” plan for the East is to build 63 homes. Phase II will entail building custom homes on the remaining 36 lots. Each of the 99 lots at the East are a minimum of 10,000 square feet. The “Phase I” plan for the West is to initially build 6 homes. None of the 99 homes at the West will be custom homes.

It’s important to note that only one constructed trail is planned for the entire 146-acre property. The developers have no plans for trails at the West. Mr. Keil recently informed RMA that the developers don’t expect to build that trail until the summer of 2024, and they have not begun the trail design process that is specific to the East property.

Proposed Trail Location

The proposed trail will run to and from Tierra Drive (currently a dead end) off Puerto Drive in an east/west direction and connect to Escuela Drive at Stonehouse Park. As you know, Stonehouse Park is the most heavily used park in Rancho Murieta and the site of numerous activities including Little League, soccer, lacrosse, pickleball, Summerfest, resident gardening, food trucks, and adult softball. The basketball courts, baseball fields, and children’s playground at Stonehouse Park are heavily used as well.

With no other alternative, many residents must travel down Puerto Drive and Guadalupe Drive to get to Stonehouse Park. Puerto Drive has no sidewalks and is a heavily travelled street. Guadalupe Drive, which is southwest of Puerto, is another heavily travelled street. Both streets have higher volumes of speeding.

One of the most important attributes of having a structurally sound Class I trail connecting to Stonehouse Park is that residents and their guests have the option of avoiding the risks associated with navigating heavy traffic on two heavily travelled Rancho Murieta streets - one of which has no sidewalks - to get to Stonehouse Park.

Expectations of Rancho Murieta Residents

With regard to the structural soundness and size of the trail at the East, the RMA Board’s expectations are no different than the reasonable expectations of Rancho Murieta residents:

1. The trail must accommodate every segment of our community including children, walkers, runners, bicyclists, families pushing strollers, people driving golf carts, people on scooters and Razors, people with limited mobility including those who require assistive walking devices such as canes, and people in wheelchairs. The trail cannot be built only for those who have the physical skills to navigate uneven and/or slippery surfaces, potholes, rocks, and nearby foliage.

2. The trail must be wide enough to allow pedestrians to travel in the opposite direction of each other without having to step off the trail. For example, a family pushing a stroller in one direction should not have to step off the trail to avoid being struck by bicyclists travelling the opposite direction. A jogger travelling in one direction should not have to step off the trail when a golf cart is travelling in the opposite direction. No person who uses the trail should be forced to navigate off-trail rocks, uneven surfaces, bushes, or trees.
3. The trail must be structurally sound and designed to accommodate heavy traffic year-round. The trail must have proper drainage so that it does not wash-out every rainy season and it cannot be slippery or puddle-ridden after rainy days.

Parks Development Agreements and Other Relevant Governing Documents

Below is a brief summary of several relevant documents that apply to this issue.

Sacramento County Resolution 84-737 (1984) - 1974 Master Plan: In 1984, Sacramento County revised their 1974 Master Plan and passed Resolution 84-737, which applies to “bicycle/golf cart trails” built by developers in Rancho Murieta. The County Plan is for developers to build trails “away from heavily travelled roads.”

1990 and 1991 Parks Development Agreements (PDAs): In 1990 and 1991, RMA, CSD, and developers (and their successors) entered into several Parks Development Agreements which gives Parks the authority to make decisions with regard to trails. The applicable clause on this point is very clear:

“Landowners agree to develop and upon completion, grant to RMA at no cost to RMA, a system of pedestrian and bike trails, constructed to standards and specifications as approved by the Parks Committee.”

Generally, worn footpaths are RMA’s responsibility. Per the PDAs, bicycle/golf cart paths are the developer’s responsibility to build but once they are built, RMA is responsible for the maintenance and repairs of those trails.

The two PDA’s that involve RMPI and their successors are dated February 20, 1991 and June 28, 1991. The PDAs also provide that Parks is made up of two RMA representatives, one CSD representative, and two developers comprised of “one rep appointed by RMPI and one rep appointed by landowners other than RMPI or their successors in interest.”

2003 Mutual Benefit Agreement (MBA): Section 8.01 of the MBA recognizes the Park Development Agreements and states that the parties to the MBA agree to grant to each other easements of ingress or egress over and across “all pedestrian and bicycle trails, walkways and paths now existing and hereinafter created” with RNP.

Current Parks Committee Position

In 2003, Parks met and unanimously adopted the Sacramento County trail specifications. Parks approved a trail system of 12-foot wide paths with 2-foot shoulders constructed of 2 inches of asphalt and 6 inches of base rock. (Class I trails.) One of the developers who voted for it at the time was Bob

Cassano of Murieta Holdings (developer) who, at the time of the vote, owned the Residences East. Yes, the developer who then owned the Residences East voted for a paved Class I trail on his own property.

On March 22, 2018, Parks met to discuss the updated Master Trail Plan and by majority vote, reaffirmed the “Conceptual Trail Plan” which includes 6.5 miles of Class I paved off-street trails and 2.5 miles of on-street trails on the North. CSD independently approved the plan as well. That Plan map shows a Class I trail leading from Tierras Drive through the Residences East and connecting to Escuela Drive.

It is important to note that developers have built trails in a manner consistent with the PDAs, the current Parks position requiring Class I trails, and in accordance with all other agreements and required standards. Class I trails on the North have been built at Lago Drive (Pera Pathway), Stone House Park, Escuela Drive, and Pera Drive.

Conversations with Mr. Keil

The RMA Board has always been amenable to meet with the developers to discuss any issues associated with Rancho Murieta development. Since May 2023, members of the RMA Board and RMA General Manager Rod Hart have met with Mr. Keil five times to discuss the East trail. Mr. Hart and I have attended every meeting.

Our discussions have focused on the feasibility of building a non-paved trail at the East. (Mr. Keil will refer to the trail as a more friendly sounding “natural trail.”) In those meetings, we repeatedly explained our expectations regarding the structural soundness and size of the trail.

Since May 2023, Mr. Keil has provided three general proposals to RMA that include diagrams, estimates, photographs, and images of proposed “natural” trails not specific to the East site. He has not provided any specific information or documents describing how the East trail will be built to a maintainable standard and how it would meet structural standards similar to a Class I trail. He has not provided a Topographic or Contour map which is necessary to address drainage concerns. Retaining walls may be necessary to install at this site in order for the developers to construct the trail with acceptable cross slopes. Again, necessary site-specific information has not been provided.

Mr. Keil acknowledges the lack of site-specific information. In an email to Mr. Hart in September 2023, Mr. Keil rhetorically asked, “Why would we spend thousands of dollars and weeks of construction drawings before the vote to change the trails to natural paths?” This is why Mr. Keil has called for a Parks meeting. He would like Parks to conceptually approve a “natural trail” similar to the trails depicted in his most recent proposal.

Obviously, building a structurally sound large trail will be much more costly to the East developers and profit motive this is an understandable consideration. (This is an observation and not a criticism of Mr. Keil, who has always been a pleasure to work with even though we disagree on this issue.) However, the trail system in Rancho Murieta is one of the most important and most often used amenities in Rancho Murieta and it is imperative that we continue to maintain a high standard for all trails in Rancho Murieta.

Mr. Keil's Latest Trail Proposal

On December 1, 2023 Mr. Keil provided his latest proposal which includes his Trails Engineer's Memo, general designs, and pictures. The entire proposal is attached to this letter for your review and would be the subject of discussion at a Parks meeting. The RMA Board believes that this latest proposal depicts trails that are more poorly designed and constructed than what Mr. Keil has previously proposed.

David Campbell, of Roach and Campbell, is the Landscape Architect for the Residences East who provided the Memorandum with pictures. Over half of Mr. Campbell's memo explains why natural trails are more desirable than decomposed granite (DG) trails. "Philosophically, the intent of trails within natural areas is to allow people to enjoy natural places while minimizing impact and disruption to those places." (There is a disagreement between RMA and the East developers regarding a reference to "DG" in the County map. This is an issue to be addressed in the future.) Mr. Campbell's Memo does not address how the proposed trail is more desirable, or may be constructed in a manner similar to a Class I trail.

Please closely review the photographs on pages 2, 3, and 4 of Mr. Campbell's Memo. This is the trail Mr. Keil envisions for our community. The photos – not taken in Rancho Murieta - show drainage made up of rocks that cross the trails. The trails are uneven and not maintainable for the PDA's intended use. They are arguably hazardous. They are so narrow that residents who pass each other in opposite directions would be forced off the trail. The proposed trail is nothing close to the high standards set by Parks.

Given Mr. Keil's latest proposal, please consider the follow comments when you provide direction to the CSD Parks representative:

1. Once the East trail is built, the developers will hand it over to RMA. Please consider the amount of maintenance and repairs that will be required and the probability that the proposed trail will wash out in the first winter season.
2. The proposed trail will not accommodate every segment of our community and will consequently force people to travel down Puerto Drive and Guadalupe Drive. Our trail system exists, in large part, to allow people to get off the streets, not force them back onto streets.
3. The RMA Board is concerned with the legal issues that may arise with the proposed trail since it will be RMA's responsibility to maintain and repair them.
4. It is highly likely the trail being proposed will be unusable during the rainy season. Mr. Keil has not provided RMA with any information that would suggest otherwise.
5. The wrong decision will set bad precedent. The trail being proposed is essentially a bike trail. If the proposed trail is built, we should expect to see the same trail proposals for every future development in Rancho Murieta.

Conclusion

The RMA Board takes the position that a Parks meeting may be scheduled only if a majority of Parks representatives agree to hold a meeting. The PDAs are silent on this issue. Based on Mr. Keil's latest proposal, the RMA Board has rejected Mr. Keil's meeting request which leaves the "tie-breaking" vote to the CSD Parks representative. We respectfully request that you direct your Parks representative to reject Mr. Keil's meeting request.

If, in fact, the CSD Parks representative agrees to hold a Parks meeting, we respectfully request that the CSD Board directs the CSD Parks representative to vote against any motion that deviates from the current Parks Committee position requiring Class I trails. This has been the Parks position for over 20 years and that position should be preserved unless and until the East developers can satisfy the expectations of our community and the RMA Board.

If you have any questions, please do not hesitate to contact me directly at (916) 365-3501. Thank you for your time and attention to this letter.

Sincerely,

A handwritten signature in black ink that reads "Scott W. Adams". The signature is written in a cursive, slightly slanted style.

Scott W. Adams
RMA Board President

Enc.



MEMORANDUM

To: Bob Keil

Date: December 1, 2023

From: David Campbell, ASLA, CLIA, LEED®AP
Principal Landscape Architect
Roach & Campbell

RE: Natural Surface Trails

CC: Randy Martin, Trailscape

In our professional experience and opinion, corroborated by natural surface trail users, contractors, public agencies, and advocacy groups, natural surface (dirt, primarily mineral) is a superior surfacing for trails in outdoor natural areas when compared to decomposed granite.

The primary differentiation between natural surface and decomposed granite is cost, both in initial installation and long-term maintenance. There is virtually no material cost to construct trails using natural surfacing, however, installed decomposed granite typically costs between \$6.00 and \$12.00/sf. In time, both materials are susceptible to erosion, wear, and other factors that affect both appearance and performance.

Decomposed granite may appear to be a firm surface, however, is generally reliant on an applied binder (either psyllium, polymer, or cementitious, though psyllium-based products are the most used). Once the binder inevitably breaks down, the surface degrades to its granular form, which is essentially a mixture of sand and rounded pebbles – which both can act as ball bearings. Once the binder fails, decomposed granite is a very loose and slippery material.

To be effectively compacted, decomposed granite is typically installed with bordered edges, which can significantly increase installation cost, and are a barrier to water, requiring additional swales, drainage dips, and other measures. Edging materials are typically either composite (plastic), steel, or wood, all of which either become displaced, pose a hazard to users, and/or deteriorate.

As the artificially uniform decomposed granite degrades, users are highly attuned to imperfections, and frequently demand a higher level of ongoing replenishment, re-surfacing, and overall maintenance. This substantially increases overall maintenance costs without providing any substantive benefit to users, as compared to natural-surface trails.

Well designed and constructed natural surface trails avoid the concentration of water where-ever possible, and include drainage dips, grade reversals, and other features frequently to minimize the amount of time water is on the trail track. Proper trail design and construction are the preferred solutions to mitigating erosion and damage from water (as opposed to using paving materials).

Philosophically, the intent of trails within natural areas is to allow people to enjoy natural places while minimizing impact and disruption to those places (paraphrased from the National Forest Service). Trail-building historically utilizes native in-situ materials, and only when necessary are other materials, preferably also natural, imported. While appropriate in constructed settings, we believe that surfacing an entire trail with imported material is not appropriate within natural environments.

In correspondence with Trailscape, the largest trail contractor in California, owner Randy Martin noted, “we come with a history of 400 miles of constructed trail. Last year, a banner year for rain, we only received 10 calls for erosion-oriented maintenance: all but two of which were for situations where streams crossed the trail and an armored crossing needed to be repaired. Thus, in only two cases of about 400 past jobs, have we experienced a maintenance issue one a constructed trail unrelated to existing water features.”

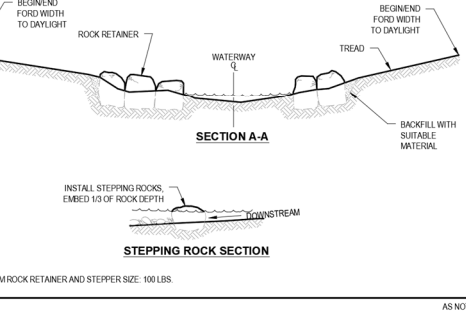
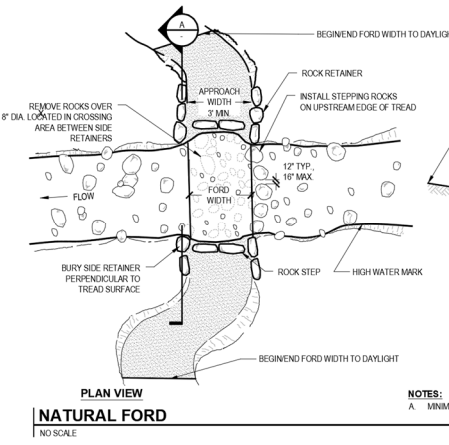
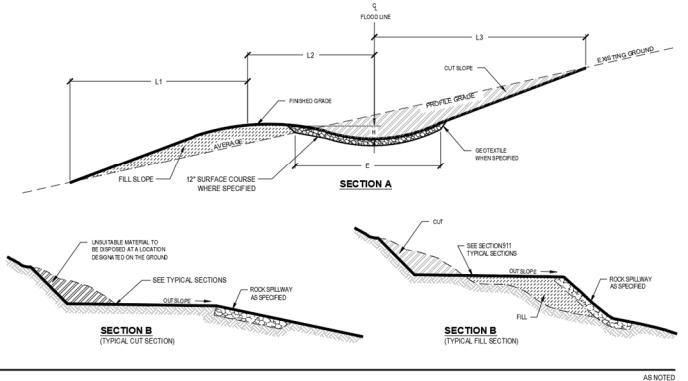
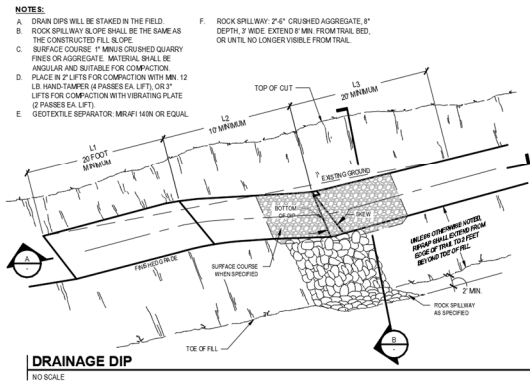
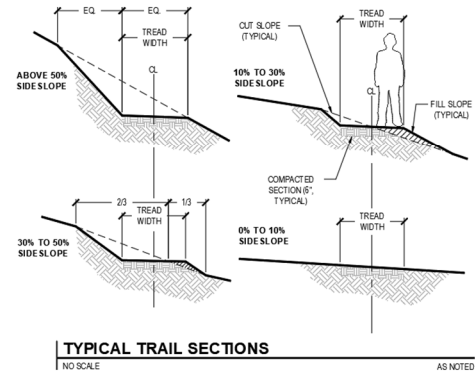
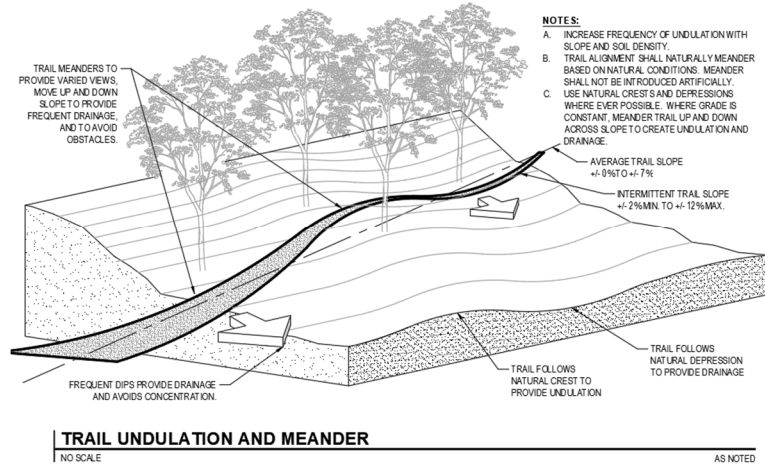
Below are several examples of natural surface trails featuring natural meanders designed to move water off the trail surface, and armored (rock) crossings where necessary (all photos are of Trailscape’s work).







Natural surface trail construction follows well-established practices, adopted by governmental bodies such as the United States Forest Service (USFS) and advocacy groups such as the International Mountain Bicycle Association (IMBA). Standard practices are detailed, in part, below:



MEMORANDUM

DATE: JANUARY 11, 2024
TO: BOARD OF DIRECTORS
FROM: MIMI MORRIS, GENERAL MANAGER AND
MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION
SUBJECT: **Other Post Employment Benefits (OPEB)**

Proposed Action

Approval of transfer of Other Post Employment Benefits (OPEB) from Public Agency Retirement Services (PARS) to California Employers' Retiree Benefit Trust (CERBT).

Background

Internal Revenue Service Code Section 115 governs the tax laws regarding trust funds established by state and local governments to cover post employment benefits beyond pension expense. These other benefits normally include items like health care, dental and vision, etc.

The District has had a Post-Retirement Health Care Plan with a trust manager called Public Agency Retirement Services (PARS), a private investment company, since January of 2011 and currently has a balance of over \$2.5 million in the fund. The unfunded liability for the District's OPEB was calculated at \$2.5 million in 2019. The District is waiting for the actuarial service to provide the updated unfunded liability calculations.

However, despite not having that information, we found that the District stopped making annual contributions to the Plan back in 2020, has never had any disbursements from the fund, and had annual fees in excess of \$14,852 in June of 2023.

Staff is proposing a change in the custodian of the District's OPEB Plan to the California Employers' Retiree Benefit Trust (CERBT) which is affiliated with CalPERS. CERBT is a section 115 Trust and is a separate fund from CalPERS. The CERBT offers a savings of over \$10,000 per year and simplified reporting for the District since it is within the same MyCalPERS application that the District uses for retirement and health benefits for active members.

Highlights of CERBT:

- Established in 2007
- 604 employer participants

- ~\$18.2 billion in assets
- 3 Investment portfolio choices
 - CERBT Strategy 1 - 6.0%
 - CERBT Strategy 2 - 5.5%
 - CERBT Strategy 3 – 5.0%

Fees:

CERBT would charge significantly lower fees for a comparable rate of return which would maximize earnings and help build funded status of Trust quicker.

- CERBT - All inclusive cost of participation of 10 basis points (bps) on asset balance.
- PARS – 25 bps + 35 bps for US Bank (intermediary) + unknown fee for Vanguard.

Example: \$2M Balance

CERBT Annual Fees = \$2,000 ($\$2M \times .0010$)

PARS Annual Fees = over \$12,000 ($\$2M \times (.0025 + .0035)$) this does not include additional fees from Vanguard for portfolio management.

CERBT requires approval by the governing body of the District in order to transition funds currently on deposit with PARS over to CERBT.

The Finance Committee discussed this matter at the January 9, 2024 meeting and recommended it be moved to the Board for Consideration.