



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

November 15, 2023

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

November 15, 2023

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. *Discussion Item* WELCOME MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION

6. 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. *October 18, 2023 Special Board Meeting Minutes*
 - 2. *October 18, 2023 Regular Board Meeting Minutes*
 - 3. *November 7, 2023 Improvements Committee Meeting Minutes*
 - 4. *November 7, 2023 Finance Committee Meeting Minutes*
 - 5. *November 8, 2023 Special Communication & Technology Committee Meeting Minutes*
- B. Bills Paid Listing

7. STAFF REPORTS (Receive and File)

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

8. REVIEW DISTRICT MEETING DATES/TIMES FOR DECEMBER 2023

- A. Improvements – December 5, 2023 at 8:00 a.m.
- B. Finance – December 5, 2023 at 10:00 a.m.
- C. Communications – December 7, 2023 at 8:30 a.m.
- D. Security – Committee will meet as needed
- E. Regular Board Meeting – December 20, 2023 - Open Session at 5:00 p.m.

9. CORRESPONDENCE

10. *Action Item* CONSIDER APPROVAL OF RESOLUTION R2023-16, CHANGING AUTHORIZED USER TITLES TO LOCAL AREA INVESTMENT FUND (*Discussion/Action*) (*Motion*) (**Roll Call Vote**)

11. *Action Item* CONSIDER AN AUGMENTATION OF THE FY23-24 OPERATIONS WATER BUDGET IN THE AMOUNT OF \$200,000 AND AUTHORIZE THE PURCHASE OF BOTH 15 MEMBRANE MODULES AND ONE 87 MODULE CASSETTE FOR WATER TREATMENT PLANT # 1 (*Discussion/Action*) (*Motion*) (**Roll Call Vote**)

12. *Action Item* CONSIDER ADOPTION OF RESOLUTION R2023-17 DECLARING CERTAIN PROPERTY EXEMPT SURPLUS LAND UNDER THE SURPLUS LANDS ACT (*Discussion/Action*) (*Motion*) (**Roll Call Vote**)

13. 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.

14. 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.

15. 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 November 9, 2023. Posting locations are: 1) District Office; 2) Rancho Murieta Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT SPECIAL BOARD MEETING MINUTES

October 18, 2023

Open Session 3:00 p.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 3:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present at the District office were Tim Maybee, Martin Pohll, Randy Jenco, Linda Butler and Stephen Booth. Also present were Mimi Morris, General Manager, Michael Fritschi, Director of Operations Andrew Ramos, District General Counsel and Amelia Wilder, District Secretary.

2. CONSIDER ADOPTION OF AGENDA

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

3. CLOSED SESSION

- A. *Public employee performance evaluation of the General manager (Gov. Code section 54957)*
- B. *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)*

The Board adjourned to Closed session at 3:03 p.m.

4. OPEN SESSION/REPORT ACTION FROM CLOSED SESSION

The Board returned to Open Session at 5:20 p.m. Director Maybee reported that the closed session had been suspended and would resume after the end of the regular session. The Board continued to the Regular Session, which concluded at 6:33 p.m., and returned to Closed Session. Once they concluded with Closed Session, Director Maybee reported that direction was given, no decisions were made.

5. COMMENTS FROM THE PUBLIC

None.

6. DIRECTOR COMMENTS/SUGGESTIONS

None.

7. ADJOURNMENT

Motion/Maybee to adjourn at 7:20 p.m. Second/Pohll. Roll Call Vote: Ayes: Booth, Butler, Jenco, Maybee, Pohll. Noes: None. Absent: None. Abstain: None.

Respectfully submitted,

Amelia Wilder
District Secretary



RANCHO MURIETA COMMUNITY SERVICES DISTRICT REGULAR BOARD MEETING MINUTES

October 18, 2023
Open Session 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

President Maybee called the Regular Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 5:20 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present at the District office were Timothy Maybee, Martin Pohll, Randy Jenco, Linda Butler and Stephen Booth. Also present at the District office were Mimi Morris, General Manager; 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/Maybee to adopt the Agenda. Director Booth seconded the motion and asked that Items 3B and 3C be removed from the Consent Calendar and heard separately. Second/Booth. Roll Call Vote: Ayes: Booth, Butler, Jenco, Maybee, Pohll. Noes: None. Absent: None. Abstain: None.

3. CONSENT CALENDAR

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

A discussion of the Item 3B Bills Paid Listing followed, with Staff offering clarification on specific bills paid.

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

A discussion of Item 3C Approval of Amended Resolution R2023-14 approving task order #2 with Adkins Engineering in the amount of \$72,631 and amending the FY23-24 Budget and appropriating funds followed. **Motion/Maybee to approve Consent Calendar Item 3C. Second/Jenco. Roll Call Vote: Ayes: Jenco, Maybee, Pohll. Noes: Booth, Butler. Absent: None. Abstain: None.**

4. STAFF REPORTS

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

- Administration
 - General Update
 - Financial Update
 - Exams Passed
 - Operations
 - Development and Security
 - Outreach & Regional Communication
- Committee Changes
 - Communications Committee

There was a presentation on the outstanding FY20-21 Audit tasks and one on the first quarter Budget to Actuals Comparison.

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

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

Under Agenda Item 4C, 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
 - Capital Improvement and Rate Study
 - Granlees Safety Project
 - Water Treatment Facility Chlorine Gas to Sodium Hypochlorite
 - Integrated Water Master Plan
 - Wastewater Facility Chlorine Gas to Sodium Hypochlorite and Contact Tank Project
 - Lift Stations
 - 3B
 - Alameda & Starter Shack
 - Cantova & FAA
 - 6B
- Development
 - Retreats North
 - Residences of Murieta Hills East & West
 - Riverview Phase 2
 - Murieta Gardens Commercial

There was a discussion about data being used in the Integrated Water Master Plan (IWMP).

5. REVIEW DISTRICT MEETING DATES/TIMES FOR NOVEMBER 2023

Ms. Morris asked that the Communications & Technology Committee Meeting be held on November 8, 2023 and that the Town Hall Meeting for the IWMP be added to the list.

6. CORRESPONDENCE

Director Maybee acknowledged the correspondence in the packet.

7. CONSIDER APPROVAL OF DISTRICT POLICY P2023-01 CLAIMS PROCESSING POLICY

Andrew Ramos, District Counsel, presented Policy P2023-01. Director Booth recommended that the limit of a claim that the General Manager can approve be \$25,000. **Motion/Maybee to approve Policy P2023-01 with the modification of the General Manager authority to be capped at \$25,000. Second/Booth. Roll Call Vote: Ayes: Booth, Jenco, Maybee, Pohll. Noes: Butler. Absent: None. Abstain: None.**

8. DISCUSS IWMP TOWNHALL MEETING NOVEMBER 2

There was a discussion about the upcoming IWMP Town Hall Meeting scheduled for November 2, 2023.

9. COMMENTS FROM THE PUBLIC

John Merchant commented on the trees which have been planted in front of the CSD building.

10. DIRECTOR COMMENTS/SUGGESTIONS

Director Maybee commented on the boat ramp at the reservoirs. He also commented on a Security incident at the equestrian center.

11. ADJOURNMENT

Motion/Maybee to adjourn at 6:16 p.m. Second/Butler. Roll Call Vote: Ayes: Booth, Butler, Jenco, Maybee, Pohll. Noes: None. Absent: None. Abstain: None.

Respectfully submitted,

Amelia Wilder
District Secretary

MEMORANDUM

Date: November 9, 2023
To: Board of Directors
From: Improvements Committee Staff
Subject: November 7, 2023 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 Pohll. 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. Integrated Water Master Plan (IWMP) Townhall

Mr. Fritschi updated the Committee on the meeting that was held November 2, 2023, stating he District presented the water demands portion of the IWMP plan and held questions and answers after the presentation.

B. Cal POLY SLO Student Project

Mr. Fritschi informed the Committee that he had been contacted by Cal Poly San Luis Obispo and would like to assist with a student project that will focus on facility planning. The Committee approved.

C. Water Plant Membranes

Mr. Fritschi discussed the need to purchase Membranes for Water Treatment Plant #1. The Committee agreed. ***This item will be on the November 15, 2023 Board Meeting Agenda.***

D. SB170 Project Update

Mr. Fritschi updated the Committee on the status of the SB170 Projects. Director Pohll asked if there were any Grant opportunities.

3. COMMENTS FROM THE PUBLIC

None.

4. DIRECTOR AND STAFF COMMENTS

Director Pohll asked what the next phase of the IWMP is. Mr. Fritschi responded that there is no timeline yet.

5. ADJOURNMENT

The meeting was adjourned at 9:10 a.m.

MEMORANDUM

Date: November 9, 2023
To: Board of Directors
From: Finance Committee Staff
Subject: November 7, 2023 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, Michael Fritschi, Director of Operations, and Amelia Wilder, District Secretary.

Mimi Morris, General Manager, introduced Mark Matulich, Director of Finance and Operations.

2. AUDIT UPDATE

Mimi Morris, General Manager, presented the Committee with a chart detailing the 76 audit items that had been delivered, and the two that are pending.

3. FINANCIAL REPORTS

- **Budget to Actuals, Operating Budget**

- i. FY23-24

Ms. Morris presented a Budget to Actual Comparison for July – October 2023. There was a discussion on the format of the Budget to Actuals report.

- ii. FY22-23

Staff are working to produce this report.

4. FINANCIAL MANAGEMENT POLICIES AND OBJECTIVES

Ms. Morris led a discussion with the Committee about the policies that are currently in place and need to be updated.

5. FINANCIAL ACCOUNTING SYSTEM ANALYSIS

Ms. Morris gave the Committee a brief overview of the current accounting systems being used by the District. She stated that Staff are evaluating Great Plains and its ability to interface with the District's other existing accounting software.

6. DISTRICT 24-25 BUDGET

- i. Indirect Cost Rate Analysis

There was a discussion about the Cost Allocation focusing on the allocation to the Security Department.

Director Pohll asked Finance Staff to make a recommendation on where money could be allocated from to purchase membrane modules for Water Treatment Plant #1.

- ii. Service Rates

A five-year rate study is currently being conducted by Lumos and Associates.

7. PUBLIC COMMENT

Richard Gehrs commented on the agreement between RMCS D and the Village to lock their facilities.

8. DIRECTOR COMMENTS

The Directors commented that it had been a productive meeting.

9. ADJOURNMENT The meeting was adjourned at 11:29 a.m.

MEMORANDUM

Date: November 9, 2023
To: Board of Directors
From: Communication & Technology Committee Staff
Subject: November 8, 2023, Special Communication & Technology Committee Meeting Minutes

1. CALL TO ORDER

Director Butler called the meeting to order at 8:30 a.m. Present were Director Butler 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. UPDATE ON WEBSITE AND SOCIAL MEDIA

Amelia Wilder, District Secretary, gave an update on the new report available from Google for website statistics. She continued with statistics related to the number of visits per page to Facebook. There was a discussion about the variety of ways to communicate with the Community. Director Butler would like to see a list of Pipeline topics.

3. DISCUSSION REGARDING DEVELOPING A COMPREHENSIVE COMMUNICATIONS STRATEGY

There was a discussion about the Communication strategy and an over all goal of the Committee. Director Booth asked the General Manager for a list of issues that Staff feel need to be communicated.

4. CREATE SPREADSHEET OF CURRENT COMMUNICATION OPTIONS

Ms. Morris will create a list of topics.

5. COMMENTS FROM THE PUBLIC

None.

6. DIRECTOR AND STAFF COMMENTS

None.

7. Adjournment

The meeting was adjourned at 9:45 a.m.

MEMORANDUM

DATE: November 9, 2023
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 11517 through 11602 issued between October 1, 2023 and October 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

Eighty-six checks totaling \$585,253.42 were issued and two were voided between October 1, 2023 and October 31, 2023.

ATTACHMENT

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

RANCHO MURIETA CSD
 VENDOR CHECK REGISTER REPORT
 Payables Management

Ranges: From: To: From: To:
 Check Number First Last Check Date 10/1/2023 10/31/2023
 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
0011517	10/4/2023	A&D Automatic Gate and Access	CSD CHECKING	\$692.91
0011518	10/4/2023	ABS Direct	CSD CHECKING	\$1,512.29
0011519	10/4/2023	Adkins Consulting Engineering, LLP	CSD CHECKING	\$32,104.03
0011520	10/4/2023	Applications By Design, Inc.	CSD CHECKING	\$1,260.00
0011521	10/4/2023	Aramark Uniform & Career Apparel, LLC	CSD CHECKING	\$243.92
0011522	10/4/2023	Best Best & Krieger	CSD CHECKING	\$7,216.00
0011523	10/4/2023	California CAD Solutions inc.	CSD CHECKING	\$2,500.00
0011524	10/4/2023	California Laboratory Services	CSD CHECKING	\$4,923.10
0011525	10/4/2023	Chemtrade Chemicals US LLC	CSD CHECKING	\$3,795.87
0011526	10/4/2023	Compressed Air Services	CSD CHECKING	\$749.26
0011527	10/4/2023	County of Sacramento	CSD CHECKING	\$2,625.00
0011528	10/4/2023	Dewberry Engineers Inc.	CSD CHECKING	\$2,052.00
0011529	10/4/2023	Domino Solar LTD	CSD CHECKING	\$4,682.66
0011530	10/4/2023	Ferguson Enterprises, Inc 1423	CSD CHECKING	\$1,785.69
0011531	10/4/2023	Intelligent Technical Solutions, LLC	CSD CHECKING	\$7,350.08
0011532	10/4/2023	Prodigy Electric & Controls Inc.	CSD CHECKING	\$21,150.00
0011533	10/4/2023	Rogers Machinery Company, Inc	CSD CHECKING	\$213.13
* 0011534	10/4/2023	Russ Branson Consulting	CSD CHECKING	\$8,312.50
0011535	10/4/2023	Signal Service, Inc.	CSD CHECKING	\$335.86
0011536	10/4/2023	Solitude Lake Management LLC	CSD CHECKING	\$4,975.00
0011537	10/4/2023	The Pun Group, LLC	CSD CHECKING	\$33,002.50
0011538	10/4/2023	Univar Solutions USA Inc	CSD CHECKING	\$4,961.16
0011539	10/4/2023	waterTALENT LLC	CSD CHECKING	\$5,720.00
0011540	10/4/2023	Amelia Wilder	CSD CHECKING	\$98.78
0011541	10/4/2023	W.W. Grainger Inc.	CSD CHECKING	\$393.58
0011542	10/4/2023	Zenon Environmental Corporation	CSD CHECKING	\$4,198.55
0011543	10/4/2023	Russ Branson Consulting	CSD CHECKING	\$17,122.91
0011544	10/12/2023	A&D Automatic Gate and Access	CSD CHECKING	\$242.83
0011545	10/12/2023	Aramark Uniform & Career Apparel, LLC	CSD CHECKING	\$214.12
0011546	10/12/2023	Clark Pest Control	CSD CHECKING	\$739.00
0011547	10/12/2023	Domino Solar LTD	CSD CHECKING	\$9,822.86
0011548	10/12/2023	Economic & Planning Systems, Inc.	CSD CHECKING	\$325.00
0011549	10/12/2023	ECS House Industries, Inc.	CSD CHECKING	\$2,300.38
0011550	10/12/2023	Ferguson Waterworks , Inc 1423	CSD CHECKING	\$5,664.30
0011551	10/12/2023	Greenfield Communications	CSD CHECKING	\$78.94
0011552	10/12/2023	Lumos & Associates, Inc.	CSD CHECKING	\$17,318.00
0011553	10/12/2023	LUXURY CLEANING SERVICE	CSD CHECKING	\$2,000.00
0011554	10/12/2023	Mobile Mini Solutions	CSD CHECKING	\$322.20
0011555	10/12/2023	Pitney Bowes	CSD CHECKING	\$49.59
0011556	10/12/2023	Prodigy Electric & Controls Inc.	CSD CHECKING	\$20,887.88
0011557	10/12/2023	S. M. U. D.	CSD CHECKING	\$20,023.11
0011558	10/12/2023	Solitude Lake Management LLC	CSD CHECKING	\$2,275.00
0011559	10/12/2023	Stratus Environmental, Inc	CSD CHECKING	\$4,843.08
0011560	10/12/2023	Thatcher Company	CSD CHECKING	\$6,980.00
0011561	10/12/2023	Univar USA Inc.	CSD CHECKING	\$4,239.36
0011562	10/18/2023	ABS Direct	CSD CHECKING	\$2,977.92
0011563	10/18/2023	Aramark Uniform & Career Apparel, LLC	CSD CHECKING	\$253.22
0011564	10/18/2023	California Laboratory Services	CSD CHECKING	\$896.65
0011565	10/18/2023	Caltronics	CSD CHECKING	\$170.21
0011566	10/18/2023	California Waste Recovery Systems	CSD CHECKING	\$105,288.04
0011567	10/18/2023	Daily Journal Corporation	CSD CHECKING	\$198.90
0011568	10/18/2023	Folsom Lake Ford, Inc.	CSD CHECKING	\$252.00
0011569	10/18/2023	Intelligent Technical Solutions, LLC	CSD CHECKING	\$7,512.59
0011570	10/18/2023	Sierra Office Supplies	CSD CHECKING	\$719.77
* 0011571	10/18/2023	State of California	CSD CHECKING	\$850.00
0011572	10/18/2023	Streamline	CSD CHECKING	\$375.00

* Voided Checks

Check Number	Check Date	Vendor	Checkbook ID	Amount
0011573	10/18/2023	Tyler Technologies, INC	CSD CHECKING	\$1,500.00
0011574	10/18/2023	Velosio LLC	CSD CHECKING	\$4,554.80
0011575	10/18/2023	Walker's Office Supplies, Inc	CSD CHECKING	\$126.74
0011576	10/25/2023	Accounting & Association Software Group	CSD CHECKING	\$292.50
0011577	10/25/2023	Aramark Uniform & Career Apparel, LLC	CSD CHECKING	\$224.72
0011578	10/25/2023	Best Best & Krieger	CSD CHECKING	\$7,480.00
0011579	10/25/2023	B & M BUILDERS	CSD CHECKING	\$16,634.00
0011580	10/25/2023	California CAD Solutions inc.	CSD CHECKING	\$3,525.00
0011581	10/25/2023	CWEA	CSD CHECKING	\$379.26
0011582	10/25/2023	Concentra DBA Occupational Health Centers	CSD CHECKING	\$698.00
0011583	10/25/2023	Condor Earth Technologies	CSD CHECKING	\$954.00
0011584	10/25/2023	County of Sacramento	CSD CHECKING	\$13,404.12
0011585	10/25/2023	Greg Coauette	CSD CHECKING	\$908.65
0011586	10/25/2023	HDR Engineering, Inc	CSD CHECKING	\$1,738.66
0011587	10/25/2023	Liebert Cassidy Whitmore	CSD CHECKING	\$348.00
0011588	10/25/2023	Municipal Resource Group, LLC	CSD CHECKING	\$1,125.00
0011589	10/25/2023	Sierra Office Supplies	CSD CHECKING	\$159.47
0011590	10/25/2023	State of California	CSD CHECKING	\$32.00
0011591	10/25/2023	State Water Resources Control Board	CSD CHECKING	\$1,195.04
0011592	10/25/2023	Stratus Environmental, Inc	CSD CHECKING	\$3,059.45
0011593	10/25/2023	Tesco Controls, Inc.	CSD CHECKING	\$9,000.00
0011594	10/25/2023	TNT Industrial Contractors Inc.	CSD CHECKING	\$129,917.25
0011595	10/25/2023	Todd Smith	CSD CHECKING	\$246.85
0011596	10/25/2023	Traci Kent-Stone	CSD CHECKING	\$100.00
0011597	10/25/2023	Tyler Technologies, INC	CSD CHECKING	\$1,633.75
0011598	10/25/2023	Univar Solutions USA Inc	CSD CHECKING	\$2,053.40
0011599	10/25/2023	Vitaliy Perepelka	CSD CHECKING	\$118.00
0011600	10/25/2023	Wenker, Ryan	CSD CHECKING	\$90.00
0011601	10/25/2023	Zenon Environmental Corporation	CSD CHECKING	\$677.53
0011602	10/25/2023	Greenfield Communications	CSD CHECKING	\$443.00

Total Checks:	86		Total Amount of Checks:	\$585,253.42

MEMORANDUM

DATE: NOVEMBER 9, 2023
TO: BOARD OF DIRECTORS
FROM: MIMI MORRIS, GENERAL MANAGER
SUBJECT: GENERAL MANAGER'S REPORT

ADMINISTRATION

CUSTOMER SERVICE IMPROVEMENTS

Staff hosted another six training sessions in October to demonstrate the new billing website and to assist customers with the transition to automated "Bank Draft" bill payment. The new website allows customers to see bill history, track payments, and see water usage.

Staff are working to improve and expand direct communication with customers. We currently only have emails and cell phones for about 14% of our customers. We encourage all customers to send us an email at pio@rmcsd.com with their account number and their email and cell phone so that we can interact more directly with them.

We are also adding a line on the back of the portion of the statement which is remitted with checks on which customers can update their contact information.

We would also like to propose a drawing for the first 500 emails, the next 500 emails, etc., with a cash prize or a gift certificate to a local establishment to encourage participation.

The new Statement format was applied to the 10/25 billing cycle and eliminates the confusing dual column format that was implemented in April. We returned to the look and feel of the old statements which more clearly laid out the Statement Date and other information. We look forward to feedback regarding the new format.

STAFFING

Mark Matulich joined the team as the Finance and Administration Director on Monday, October 30, 2023, and has been working diligently to get up to speed regarding the audit, the financial system, and various other administrative issues.

Staff fully reconciled all Sick Leave Credit balances on November 8th. The accrual rate was established incorrectly in PayChex – transposed numbers – and adjusting entries had been made in 2021 and 2022 to counterbalance the error, adding to the complexity of unwinding the mistake. Payroll Technician and Retired Annuitant Donna McLeod figured this out for us and has been a great help in general since she began in June.

Amelia Wilder, our highly competent Board Secretary, continues to make much-appreciated recommendations for either cost-saving or general operational improvements.

Chris Funakoshi, our resourceful and dedicated accountant, has been a key part of the team that is trying to resolve the remaining audit issues, assessing and utilizing Great Plains, and improving our billing format.

The District is fortunate to have these capable people helping with the rebuilding of the Administrative Unit.

FINANCIAL UPDATE

Aside from our response to the audit, the 2020-2021 CSD Audit has one outstanding item remaining – the Audit Adjustment Account has a balance of \$123,000 that needs to be assigned to the correct revenue or expense account. Staff will be attempting to unravel this last mystery and final obstacle to a completed FY20-21 audit. The attached report outlines the one remaining item and the long list of items already completed.

A high-level Budget to Actual Report for the first four months of FY23-24 is attached which shows the District spending on track and \$1.2 million lower than budgeted for the entire year. Staff provided a template to the Finance Committee Members and expects feedback by November 17th to produce future Budget to Actual reports that show individual Fund Budgets and corresponding expenses to facilitate budget management. The staff is hoping to produce the fund-based budget to actuals for the December board meeting. Staff are also evaluating an alternative payroll payment company that has better customer support, fewer system glitches, and lower fees. By correcting coding errors in the Payroll system (either the existing or the proposed new system), the process for posting labor costs to the General Ledger will be significantly streamlined.

Staff are also evaluating a more technologically advanced method for scanning paper checks and hopes to transition to the new approach by the end of the year.

Staff are also transitioning to a new credit card provider to benefit from better rebates for the District.

EXAMS PASSED

OPERATIONS

Director Steven Booth facilitated the November 2nd IWMP Town Hall which was organized by the Operations Unit. The event included a recap of the Supply research and an overview of the Demand Research. These two phases are the precursor to the Third Phase: Options. A healthy Q and A session followed the formal presentation. Staff gathered and published questions from the March Town Hall and questions received prior to the November event and will respond to all questions posed at or after the November meeting.

FINANCE

Will be addressed by Mark Matulich

DEVELOPMENT

Will be addressed at the Board Meeting by Michael Fritschi

SECURITY

Will be addressed by Security Supervisor Kelly.

OUTREACH & REGIONAL COMMUNICATION

The GM spoke to the Kiwanis on November 2nd and looks forward to more interactions with other community groups in the future.

A proposal has been received from the camera subcontractor Ojo Technologies for the relocation of one camera in Murietta Gardens and a more viable location for a receiver. We are still trying to get permissions on a suitable location for the receiver and will bring the proposal to the board for consideration and approval when that issue is resolved.

COMMITTEE CHANGES

COMMUNICATIONS COMMITTEE

The Communications Committee met on October 10th and discussed the importance of accessible, transparent, and clear communication. Both traditional methods of communication like the Pipeline and the website will be maintained, but staff also instituted the Message from the GM in the Pipeline and, as mentioned previously, is working to gather emails and cell phones in order to establish a direct means of communicating with residents. Similarly, staff are publishing questions from the prior Town Hall and will share questions and answers from the November meeting so that all residents can see the conversations and read the District's responses.

The priority is to make it as easy as possible for residents to access information regarding the District's activities.

###

Status Sheet of 79 Audit Tasks

2 Incomplete Tasks

District Task #	Task Name	Responsible Party	Task ID per Richardson
Task 004		District	#56
Update	Support for activity posted to net position/retained earnings, ex. CY income/loss, during year. Resolve any unbalanced Audit Adjustment Accounts. Fund balances should roll forward; \$123,000 in Audit Adjustment Accounts are not yet resolved. Working to correct the journal entries		Incomplete
Task 006		District	#76
Update	Copy of the Management Discussion and Analysis, when available. pending finalization of Richardson report		Incomplete

76 Completed Tasks

District Task #	Task Name	Responsible Party	Task ID per Richardson
Task 007		Richardson	#11
Update	Computation of LAIF interest receivable at June 30. Richardson to look in the Pun Group papers recorded; no statement missing; all good		Completed
Task 008		Richardson	#16
Update	Schedule summarizing remaining maturity and credit rating for all investments and money market funds for GASB 40 disclosure (including amounts held by bond trustees). Richardson to find PY all good		Completed
Task 009		Richardson	#17
Update	Schedule of GASB 72 Hierarchy Level and industry classifications. all good		Completed
Task 010		Richardson	#19
Update	Calculation of unbilled, metered water service as of June 30, 2021, including supporting reports from the billing system. Richardson to check on treatment in prior year. info in Richardson's hands; needs to be recorded---- per meeting on 9.22.23 - immaterial amount during period of time between 6.25 and 6.30.21		Completed

Task 001	District	#20
Calculation of allowance for doubtful accounts.		Completed
Update	Per meeting on 9.22.23, Developers pay in advance; utility customers pay or are cut off.	
Task 011	Richardson	#38
Unapplied Credit Report from utility system supporting customer deposits recorded as of June 30, 2021. Richardson will look again through Pun Group workpapers.		Completed
Update	all good	
Task 002	District	#39
Detailed listing of retentions payable as of June 30.		Completed
Update	Pending location of 20-21 Tesco invoices to demonstrate no retention situation;	
Task 012	Richardson	#41
Detail listing of deposits payable, reconciled to the general ledger. VB may have in her workpapers; Richardson will check – maybe \$200K++		Completed
Update	all good	
Task 005	District	#62
Listing of contributed projects (supporting docs will be requested on a sample basis).		Completed
Update	Per 9.22.23 meeting: likely nothing other than the easement (for the Murieta Gardens Storm Drain Basin) in 20-21, but will be a finding bc of all the prior years when contributed assets were not	
Task 014	District	#65
Reconciliation of billing registers to the general ledger for fiscal year 2020/21. Richardson to provide a PY example		Completed
Update	Per Meeting on 9.22.23, Richardson to see if this is ok. the Pun Associate was working on this; had difficulties translating the ACH (electronic funds transfer statements; Utility Star printout shows Revenues	
Task 013	Richardson	#66
Calculation of unearned revenues related to utility billings received in advance, including supporting pages from billing register. Richardson to check PY		Completed
Update	all good	
Task015	District	#64
Provide Explanations for significant variances (fluctuations) in Budget to Actual in 20-21.		Completed
Update	10.6.23 Mimi received clarification on how to proceed.	

Task016	District	#24
Detailed listings of capital assets & related accumulated depreciation as of June 30, 2021, including summary totals by type of asset, acquisition date, useful life, annual and accumulated depreciation expense.	Update 10.6.23 Richardson sending Pun info on Depreciation/Assets. Mimi to determine if elimination of cost basis was an attempt to demonstrate asset had been retired and to correct the approach.	Completed
Task 017	Final General Ledger Trial Balance (Excel format) as of June 30, 2021.	001
Update		Completed
Task 018	Balance sheet and income statement (including budget amounts) from system at June 30, 2021.	002
Update		Completed
Task 019	General Ledger detail for 2021 (electronic version).	003
Update		Completed
Task 020	Attorney letter request for attorneys consulted during the year regarding litigation. (Template letter to come to Mimi)	004
Update		Completed
Task 021	Bank confirmation forms for all bank accounts and LAIF.	005
Update		Completed
Task 022	Confirmations of any long-term debt.	006
Update		Completed
Task 023	Cash and Investments: Bank reconciliations for all cash accounts as of June 30, 2021 and July 31, 2021.	007
Update		Completed

Task 024	008
Cash and Investments: Bank reconciliations for all cash accounts as of June 30, 2021, including outstanding check listings.	Completed
Update	
Task 025	009
Cash and Investments: Investment statements as of June 30, 2021, reconciled to the general ledger.	Completed
Update	
Task 026	010
Cash and Investments: Quarterly LAIF interest remittance advices.	Completed
Update	
Task 027	012
Cash and Investments: Schedule of deposits in excess of FDIC limit.	Completed
Update	
Task 028	013
Cash and Investments: Schedule of investments, including market values, terms and ratings as of June 30, 2021.	Completed
Update	
Task 029	014
Cash and Investments: Provide a calculation supporting the amount recorded as fair-value adjustment (summary showing original cost, market value and unrealized gain/loss) and journal	Completed
Update	
Task 030	015
Cash and Investments: Copy of investment policy.	Completed
Update	
Task 031	018
Receivables: Aged receivable trial balance from utility billing system at June 30, 2021, reconciled to the general ledger.	Completed
Update	

Task 032	020
Receivables: Support for taxes and assessments revenue for fiscal year 2021 received after June 30, 2021.	Completed
Update	
Task 033	021
Receivables: Detail listing of other receivables as of June 30, 2021.	Completed
Update	
Task 034	023
Receivables: Aged billed receivables report from the utility billing system at June 30, 2021 and September 30, 2021.	Completed
Update	
Task 035	025
Capital Assets: Rollforward of capital assets, including construction in progress for fiscal year 2020/21.	Completed
Update	
Task 036	026
Capital Assets: Listing of capital asset additions during 2020/21.	Completed
Update	
Task 037	027
Capital Assets: Detailed listings of all capital asset disposals during fiscal year 2020/21, including sales price, if sold, date disposed, accumulated depreciation, amount of gain or loss	Completed
Update	
Task 038	028
Capital Assets: Listing, including value, of infrastructure donated by developers.	Completed
Update	
Task 039	029
Capital Assets: Detail listing of construction in progress costs by project as of June 30, 2021 (identify which projects were completed during the year).	Completed
Update	

Task 040	030
Update Capital Assets: Detail listing of construction in progress costs by project as of June 30, 2021 (identify which projects were completed during the year). (Detail of expenditures for projects will be	Completed
Task 041	031
Update Capital Assets: Summary of capital project commitments (unexpended amounts) at June 30th supporting the footnote disclosure.	Completed
Task 042	032
Update Capital Assets: Information regarding capital assets that are impaired or are expected to be shut down in the near term, including cost, accumulated depreciation and expected shut down date.	Completed
Task 043	033
Update Other Assets: Schedule of prepaid expenses for the year ended June 30, 2021.	Completed
Task 044	034
Update AP & Other Liabilities: Detail listing supporting accounts payable as of June 30, 2021, reconciled to the general ledger.	Completed
Task 045	035
Update AP & Other Liabilities: Detail listing of accrued liabilities as of June 30, 2021.	Completed
Task 046	036
Update AP & Other Liabilities: Listing of all checks written from July 1, 2021 to October 31, 2021. (Invoices will be selected on a sample basis.)	Completed
Task 047	037
Update AP & Other Liabilities: Calculation of accrued payroll and payroll check register for payroll incurred prior to June 30, 2021, but not paid until after June 30, 2021.	Completed

Task 048

042

AP & Other Liabilities: Detail listing of other current liabilities as of June 30, reconciled to the general ledger. Supporting documentation will be selected on a sample basis.

Completed

Update

Task 049

043

LTL: Rollforward of long-term debt for fiscal year 2020/21.

Completed

Update

Task 050

044

LTL: Calculation of accrued interest on debt.

Completed

Update

Task 051

045

LTL: Maturity schedule for long-term debt and related amortization schedules.

Completed

Update

Task 052

046

LTL: Computation of debt service coverage related to outstanding debt.

Completed

Update

Task 053

047

LTL: Rollforward of compensated absences.

Completed

Update

Task 054

048

LTL: Calculation of unpaid compensated absences including the current portion as of June 30, 2021, if any.

Completed

Update

Task 055

049

LTL: Actuarial valuation supporting the OPEB liability as of June 30, 2021.

Completed

Update

Task 056	050	Completed
LTL: OPEB trust statement showing amounts contributed during fiscal year 2019/20 and the asset balance at June 30, 2020.		
Update		
Task 057	051	Completed
LTL: Census information provided to the actuary for the OPEB valuation, unless actuarial valuation is a rollover using prior year census information.		
Update		
Task 058	052	Completed
LTL: Actuarial report supporting pension liability as of June 30.		
Update		
Task 059	053	Completed
LTL: Total employer and employee pension contributions made during the year, from MyCalPERS, reconciled to general ledger. Identify contributions paid by the District on behalf of employees.		
Update		
Task 060	054	Completed
LTL: Download from MyCalPERS showing reportable payroll for June 30, 2021.		
Update		
Task 061	055	Completed
LTL: Please provide any information regarding changes to benefit provisions, plan amendments, plans to terminate plans, etc. that would affect the valuations.		
Update		
Task 062	057	Completed
Net Position: Calculation of investment in capital assets.		
Update		
Task 063	058	Completed
Net Position: Support for designation of net position (resolution or budget).		
Update		

Task 064	059
Net Position: District Reserve Funds Policy	Completed
Update	
Task 065	060
Revenues/Unearned Revenues: Computer report from the billing system showing the number of flat residential, commercial fixed and metered residential customers as of June 30, 2021 and 2020 from	Completed
Update	
Task 066	061
Revenues/Unearned Revenues:: Statistics from billing system on water consumption for fiscal years 2020/21 and 2019/20.	Completed
Update	
Task 067	063
Revenues/Unearned Revenues:: Listing of revenues received for capital purposes.	Completed
Update	
Task 068	067
Revenues/Unearned Revenues:Support for amounts recorded as unearned revenues.	Completed
Update	
Task 069	068
Revenues/Unearned Revenues: Support for grant revenues received in fiscal year 2020/21, if any, including an analysis of grant expenses compared to revenue recorded.	Completed
Update	
Task 070	069
Expenses: Budget versus actual comparison for expenses, including explanations for significant variances.	Completed
Update	
Task 071	070
Expenses: Number of employees for each quarter end during 2021 and 2020.	Completed
Update	

Task 072	071
Interfund Balances ; Schedule of due to/from by fund.	Completed
Update	
Task 073	072
Interfund Balances: Schedule of transfers between funds for footnote disclosure.	Completed
Update	
Task 074	073
Interfund Balances: Loan agreements for any formal interfund loans, if any.	Completed
Update	
Task 075	074
General: Files of journal entries for fiscal year 2020/21 (including those made after June 30, 2021 that relate to fiscal year 2020/21 since items provided at interim).	Completed
Update	
Task 076	075
General: Summary of insurance coverage in effect during fiscal year 2020/21.	Completed
Update	
Task 077	077
State Controller's Report: Correspondence from the State Controller's Office containing password.	Completed
Update	
Task 078	078
Summary of receipts from the County for taxes and assessments.	Completed
Update	
Task 079	079
Sacramento County landfill contract to Richardson -Mimi	Completed
Update	

1 Removed Tasks

District Task #	Task Name	Responsible Party	Task ID per Richardson
Task 003		District	#40
	For any construction contracts outstanding at June 30, 2021, provide all invoices December to June showing retention balance on the contract		Removed
Update	Removed - same as #002; mimi to find invoices		

MEMORANDUM

DATE: NOVEMBER 15, 2023
TO: BOARD OF DIRECTORS
FROM: MARK MATULICH, DIRECTOR OF FINANCE AND ADMINISTRATION
SUBJECT: FINANCE AND ADMINISTRATION REPORT

AUDIT UPDATE

Staff are working with external auditors to complete the FY20-21 financial statement audit. Out of 79 initial audit tasks, 76 have been completed, 1 was removed as it was a duplicate item, and 2 items are in progress. In progress items include \$123k in unresolved audit adjustment accounts (this number is down from \$3.8M), and Management Discussion and Analysis (MD&A) on the FY20-21 financial statements. MD&A will be completed once the unresolved audit adjustments are resolved and a final set of financial statements are completed.

FINANCIAL REPORTS

A format for financial reports is under review by the Finance Committee. Staff are working to begin presenting financial results in this new format for the December Board of Directors meeting.

- FY23-24: YTD expenditures through October 31, 2023, amounted to \$3,267,176 against an annual budget of \$11,252,980. If we were to annualize YTD expenditures and adjust for full spend against budgeted capital improvement projects, projected expenditures for FY23-24 amount to \$10,009,528 coming in \$1,243,452 under budget.
- FY22-23: Staff are working to ensure all transactions are posted to FY22-23 before presenting a financial report for this fiscal year. Once all transactions are posted and reviewed, a financial report will be presented in the new preferred format.
- Capital Improvement Projects: Staff are reviewing all capital improvement projects (CIP) and amounts spent on each project. Once spending on each active project has been reviewed and all transactions are properly recorded, a budget to actual report depicting progress on each project will be presented.

FINANCIAL MANAGEMENT POLICIES AND OBJECTIVES

Staff are conducting a comprehensive review of the District's financial accounts to ensure that these accounts are structured to maximize investment earnings and streamline internal processes.

FINANCIAL ACCOUNTING SYSTEM ANALYSIS

Staff conducted a review of the Great Plains (GP) accounting system including a 4-hour meeting with the District's GP account representative. The session was informative and the consensus among staff is that GP is a viable general ledger accounting package. The primary issue appears

to be that many of the subsidiary ledgers are not set up to interface with GP and transactions have not been posted timely. Staff are evaluating each peripheral system for compatibility with GP, cost, efficiency, and effectiveness.

DISTRICT FY24-25 BUDGET

Staff are projecting a draft budget will be completed by mid-March 2024.

MEMORANDUM

Date: November 15, 2023
To: Board of Directors
From: Kelly Benitez, Security Supervisor
Subject: Security Update Report for the Month of October

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 3 vacant positions.
- We had 93 Patrol shifts in October and 32 were not covered.
- The newest Toyota Truck is in the radio shop and waiting for parts.
- Dash Camera for truck is waiting for delivery. (2024)
- Camera System update in the wash by North Gate.
- South Gate Repairs (10K) completed. (Halloween)

Rancho Murieta Association activity:

We continue to work with RMA Leadership on a regular basis. 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.
- Attended the Compliance RMA meeting
- Met with Troy of RMA Maintenance (Camera System)
- Met with Chris Smith RMA Compliance (restroom issues private vehicles)

Rancho Murieta Community Members:

NA

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

	Jan		Feb		March		April		May		June		July	
Violation Item Summary Report	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 / noise	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/RMCSD													0	1
Working days & hours														
Total Violations	17	54	56	101	47	106	80	105	86	107	40	31	43	47
Citations written by RMCSD		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

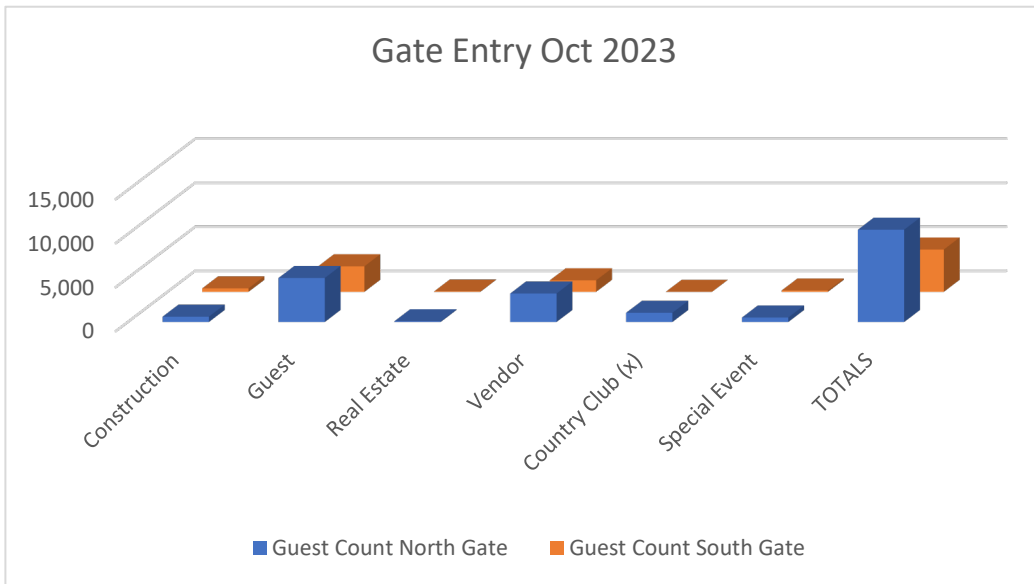
	August		September		October		November		December		Totals	
Violation Item Summary Report	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA	CSD	RMA
Motor vehicle violations:												
Motorcycle											0	0
No drivers license	1	1									3	4
Speeding	0	16	2	3	3	28					107	288
Speeding - twice speed limit											0	0
Stop signs	48	0	17	3	21	0					210	54
Bus stop signs											0	0
Use of streets	1	0									2	1
Parking:												
Driveway parking	0	2	1	5	1	1					17	49
Guest parking	1	2	12	1	8	0					28	12
Overnight street parking	9	1	22	1	10	4					109	32
Unauthorized Vehicle (24 hr pass)	0	4	5	2	8	0					15	20
Accumulation/dumping of debris			0	1							1	5
Boat Usage	3	0	1	0							16	0
Barbeques, open fires, bonfires											0	0
Carrying passengers/overloaded cart	1	0									1	1
Clothes lines											0	0
Commercial vehicle lettering											0	2
Construction overnight parking											0	0
Park hours / curfew	3	0	5	0							19	0
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							2	2
Open garage doors	0	2	0	2							9	4
Pets - off leash / teathered / noise					1	1					4	3
Property maintenance	0	5	0	17	0	10					0	120
Sign rules											0	1
Sports equip/trampoline/basketball											0	29
Storage of building materials	0	1									0	1
Stored vehicles	0	3	2	2							2	17
Trash containers											0	10
Use of common areas & facilities	0	1	0	2							0	8
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	0	0	0	0	556	677
Citations written by RMCSD		67		68		52		0		0		556
Citations written by RMA		40		42		45		0		0		678
Total Violations		107		110		97		0	0	0	0	1234

Gate Entries by Type

10/1/2023

Pass Type	Guest Count North Gate	Guest Count South Gate	Count by Pass Type
Construction	606	396	1,002
Guest	5,001	2,903	7,904
Real Estate	82	40	122
Vendor	3,241	1,313	4,554
Country Club (x)	1,047	0	1,047
Special Event	511	154	665
TOTALS	10,488	4,806	15,294

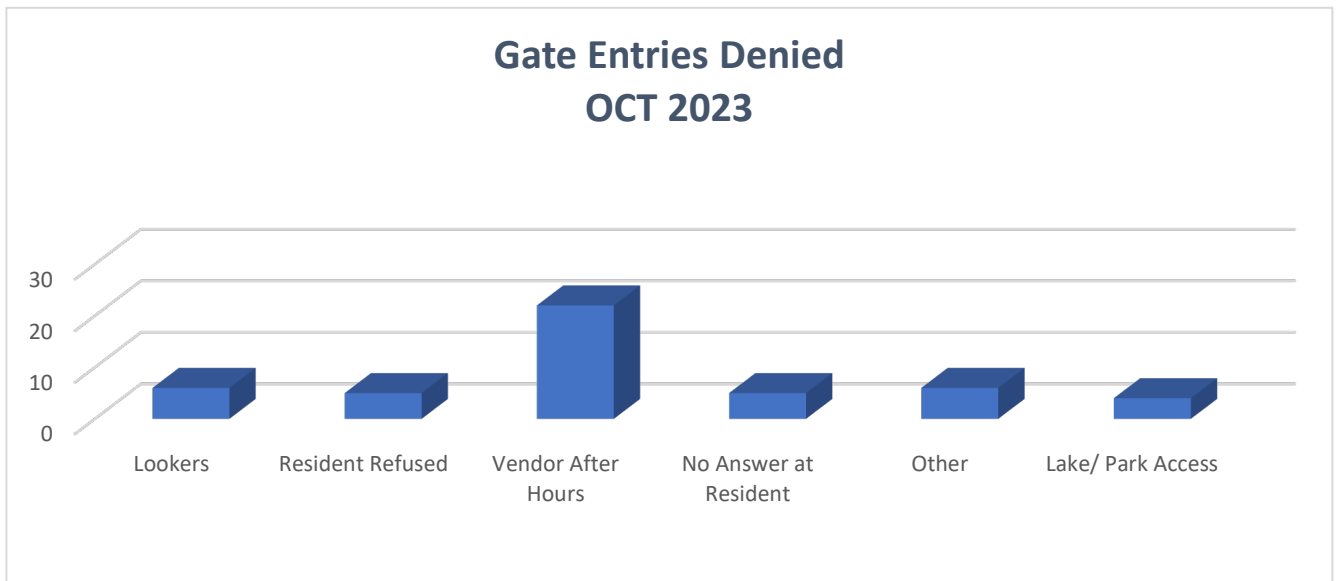
Prior Month Totals: 12,102 4,314 16,283



Gate Entries Denied October 1-31, 2023

	Lookers	Resident Refused	Vendor After Hours	No Answer at Resident	Other	Lake/ Park Access	TOTAL
All Gates	6	5	22	5	6	4	48

Prior Month Totals: 3 5 31 4 1 11 55





Rancho Murieta CSD Security

15160 Jackson Rd
Rancho Murieta, CA 95662

Cases - Breakdown by Type

ABANDONED DISABLED VEH	4
ALARM	6
ANIMAL COMPLAINT	12
ASSIST OTHER AGENCY	2
BURGLARY	1
CITATION	68
DISTURBANCE	4
ESCORT	7
EXTRA PATROL	88
FIRE	1
FOLLOW UP	4
GUN SHOTS	2
JUVENILE DELIQUENCY	1
LOST/FOUND PROPERTY	4
MISCELLANEOUS	6
OPEN DOOR	2
PARKING	5
REFUSED ENTRY	46
RESIDENT COMPLAINT	14
RMA RULE VIOLATION	6
SAFETY ADVISAL	1
STOLEN/LOST PROPERTY	2
STOP SIGN VIOLATION	6
SUSPICIOUS ACTIVITY	1
SUSPICIOUS PERSON	5

SUSPICIOUS VEHICLE	3
TRASH-PICK UP	1
TRESPASSING	4
VANDALISM	3
VEHICLE ACCIDENT	6
WATER LEAK	2
WELFARE CHECK	5
Total	322



INCIDENTS OF NOTE

On Tuesday, October 5th at 0220 hours, in the morning, CSD security was on routine patrol in the area of the Equestrian Center and heard several possible gunshots, and immediately responded to the Equestrian Center. Upon arrival, the officer was met at that gate by Equestrian personnel who advised him that there had been two individuals shot and that the suspect had fled the area onto Jackson Highway.

The Security Officer immediately requested the Sacramento County Sheriff's Department (SSD) and Metro Fire Department and responded to the hangar inside the Equestrian Center where the shooting had occurred. Upon the Security officer's arrival, he discovered two shooting victims and several personnel attempting to aid the victims. SSD and Metro Fire arrived and transported the victims to the hospital. SSD conducted a criminal investigation.

On Wednesday, October 25th, 2023, vandalism was reported on the side walls of the exterior of the village complex. Two large drawings in red spray paint were approximately thirty-six inches by thirty-six inches. There was also similar fresh graffiti in the concrete wash across the Northgate. SSD was notified however, there was no video footage available at either location.

MEMORANDUM

Date: November 15, 2023
To: Board of Directors
From: Michael Fritschi, Director of Operations
Subject: October Utility Report

AURORA RINCON

I would like to announce that Arora Rincon our GIS intern has taken a permanent job with San Jose Water Company. Aurora’s last day was November 8, 2023. Aurora served the District well and contributed her talents to make the District GIS system an excellent tool for the Operations Department. We all wish Aurora the best.

WATER

Water Treatment Facility

Plant 1 is in operation and is currently producing potable water at a rate of 1.6 million gallons per day. Plant 2 is currently offline for maintenance.

Water Consumption

As of November 1, 2023, cumulative potable water production for the current year is 453.6 million gallons, with 51.3 million gallons used in the month of October.

Raw Water Storage & Delivery

The total water currently stored between Clementia, Chesbro, and Calero totaled 2,979.1 acre-ft as of November 1, 2023. The District began pumping from the Cosumnes on the 6th of November at 125 hp (about 10.7 acre-ft per day).

Table 1. Current water and wastewater storage as of November 4, 2023

	acre-ft November	acre-ft full	%full
Clementia Storage	902.3	907.1	99%
Chesbro Storage	759.2	1027.0	74%
Calero Storage	1317.6	2323.3	57%
Total of all Raw Water Reservoirs	2979.1	4257.4	70%
Wastewater Storage Reservoir available for production	112.2	796.3	14%

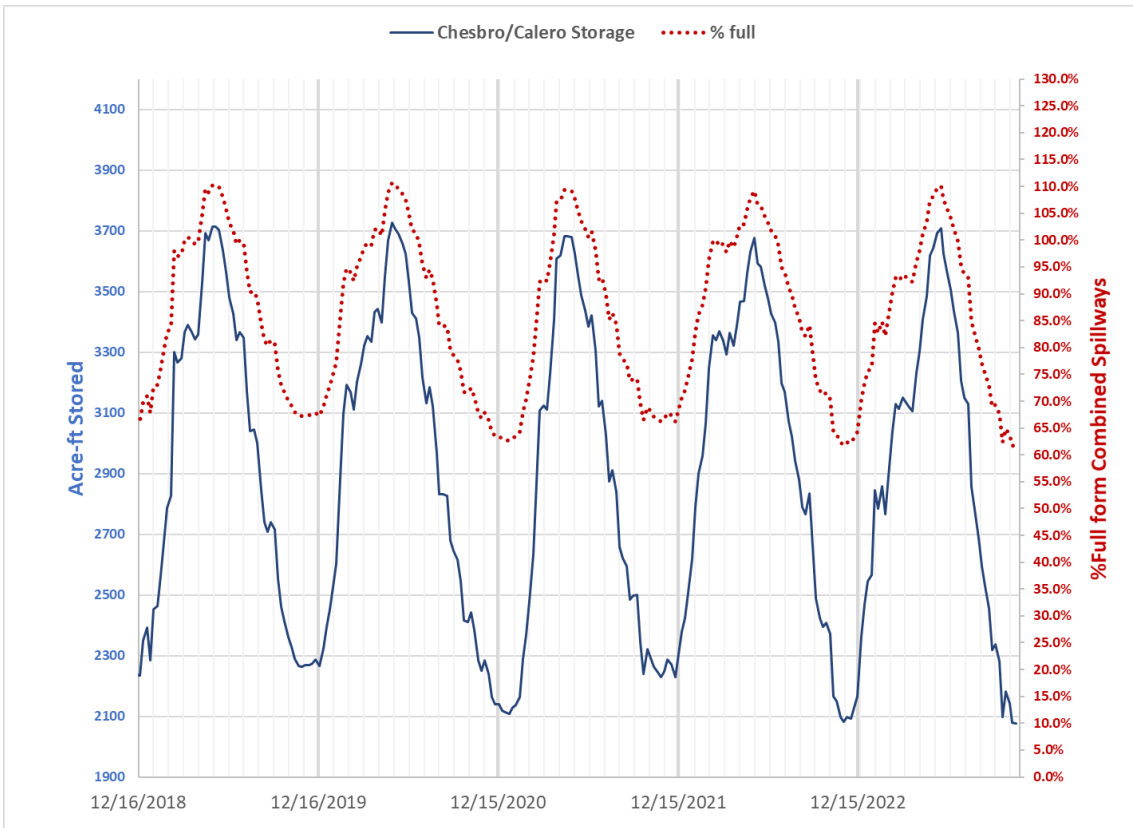


Figure 2. Five-year Chesbro / Calero Storage Curves

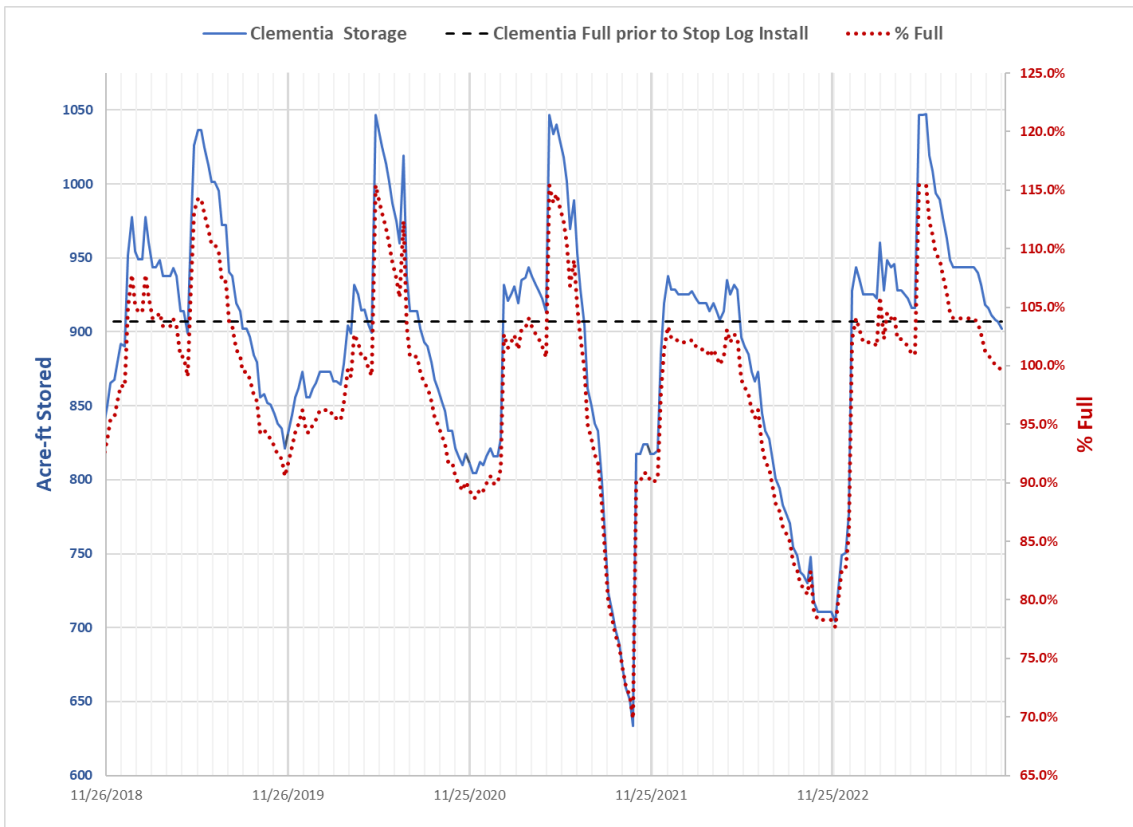


Figure 3. Five-year Clementia Storage Curves

SEWER

Wastewater Facility

The tertiary process of the wastewater facility is currently offline, and the operators are in the process of testing for pre-chlorination effectiveness to support design information for the District Wastewater Sodium Hypochlorite (NaOCl) project. The current average dry weather influent flow to the wastewater facility for September was 0.38 MGD.

UTILITY CREW WORK

Utility Crew Report October 2023

- 1) Staff have been short-staffed due to one utility worker out for surgery and one out on FMLA. One utility operator was recently terminated as he did not meet District expectations during his probationary period.
- 2) Staff had one utility star work order completed in the month of October.
- 3) Staff completed 4 field markings for 811 USA locations
- 4) Staff received thirteen homeowners calls for water related issues from high water usage, water leaks, and higher water bills. One leak turned out to be a country club irrigation line that runs next to a resident's driveway, this took some time to diagnose because we do not have good plans for the country club irrigation lines. Two calls were diagnosed as water leaks in the service line going from the water main to the meter and CSD is responsible to fix. Several people with high water bills were diagnosed as excessive irrigation usage.
- 5) 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. Staff are working on gathering regulatory information that requires the Plaza to install DC backflow devices on all fire riser sprinkler systems and should have this information to Michael by 11/9/2023.
- 6) Staff responded to four water leaks in the month of October. One leak was repaired, we replaced two service lines and had one 14-inch water main service saddle fail due to corrosion that had to be replaced.
- 7) Three valves were exercised, and 2,000 gallons of water was flushed through hydrant this was completed to isolate the water line at the airport to install a new inline water meter.
- 8) One water meter was replaced in October along with 1 smart point sending unit being replaced.
- 9) The crew had two sewer issues investigated in the month of October. One was a sewer smell issue and CSD found no problems with the main or noticed any sewer smell upon inspection. The second issue was locating a sewer service lateral that required a homeowner repair due to root intrusion.
- 10) The CCC (California Conservation Corps) has completed all drainage weed abatement in the Rancho Murieta North Drainage system. Utilities crew went out and used a Ditch Witch to clean the Chesbro protection ditch at the first of October and upon inspection in the first week of November it appears the ditch needs to be cleaned again soon.
- 11) The raw water line from Lake Clementia to CIA ditch has a leaking valve by the CIA ditch upstream valve is closed off to prevent leak until repairs can be made. This is on the list for repairs and will be worked on when the crew can be scheduled.
- 12) Work planned for November includes:
 - a) Electrical work at basin 5 (Lost Lake) dig trenches for electrical work.
 - b) Installed water main line meter at the airport completed. (Meter still needs programmed and grounded).
 - c) Sewer lateral line to be replaced crossing ditch behind XXXX Terreno park 11.
 - d) Storm drain plug on 15-inch Cantova storm drain dead end.

- e) Complete repairs on the raw water valve upstream of the CIA ditch.

CAPITAL PROJECTS

Cal POLY SLO Student Project

The District and California Polytechnic State University San Luis Obispo have discussed utilizing the water treatment facility for the undergrad student culminating design project. As the “client”, the District will present the students with an RFP for facility planning and 30% design services for the following consulting services:

- a) solidify existing water production capacity
- b) determine the best way forward to increase capacity
- c) process reconfiguration suggestions for increased efficiency

Students will provide proposals in January and complete projects by second quarter. The District will present the problem statement, provide answers to requests for information, and will review the finished projects.

This is an excellent opportunity for the District to provide a learning opportunity for future Engineers and to receive valuable preliminary plant analysis and design information that can form the foundation of future plant studies to ensure adequate existing and future plant capacity.

Integrated Water Master Plan

The District held the 2nd Townhall Meeting on November 2nd at the Country Club to discuss the progress with the Integrated Water Master Plan with the updated water demands. There were approximately 160 public attendees. The Consultant team provided an initial presentation and then the question/comment session was initiated. The District will convert the audio recording to text to create FAQ's that can be posted online. The next stage of the project is to provide alternatives to meet the projected demands with the projected supplies.

Capital Improvement & Rate Study

Lumos & Associates is in the process of compiling record information of the District's facilities received to date. They have also received the updated GIS records and will have a compiled inventory of existing facilities infrastructure ready by the beginning of December.

Granlees Safety Project

This project has been reviewed at the 90% level and the District is evaluating different designs to increase safety of the intake gates to the forebay.

Water Treatment Facility Chlorine Gas to Sodium Hypochlorite

This project is at the 100% design completion level and the previous updated opinion of probable construction cost is estimated between \$580,000 to \$670,000. – The 100% design was reviewed, and the electrical comments were submitted by the District electrician.

Wastewater Facility Chlorine Gas to Sodium Hypochlorite and Contact Tank Project

The project alternatives capital cost analysis was updated for the various NaOCl upgrade alternatives, including the UV disinfection comparison. The capital cost opinions range from \$3.175 M NaOCl upgrade to rehab the existing contact tank and add an extension to the existing tank to get full 3.0 mgd capacity to a \$4.490 M UV upgrade of which includes roughly \$0.94 M for NaOCl pre-DAF treatment. If the pre-DAF NaOCl treatment is deemed unnecessary, then the UV alternative is competitive with the other four alternatives. The District has requested lifecycle cost analysis for the NaOCl and UV alternatives and a meeting to discuss a recommendation to the Improvement committee for moving forward with a design of the best alternative.

Lift Stations

Lift 3B – No Update

Alameda & Starter Shack Stations – This project is currently in the design phase – no update

Cantova & FAA Stations – This project is in the design phase - no update.

Lift 6B – The District electrician has recently submitted final comments on the panel design and the District is waiting for the updated project schedule.

DEVELOPMENT

Retreats North – Four additional meters have been released on October 30th, 2023, for a total of twenty-one (21) meters that have been released per the terms of the Interim Security Agreement dated August 1, 2023. A total of thirty-eight meters have been released for Retreats East and North in total (3 more are allowed until September 30, 2024 per the agreement).

Residence of Murieta Hills East & West – The District has received and reviewed the initial draft sewer study and met with the developer to discuss the study. The developer will be installing a sewer flow sensor in the District 10-inch main located south west of Laguna Joaquin to try and capture wet weather sewer flow information this winter. The District will have access to this information.

Riverview Phase 2 – No update

Murieta Gardens Commercial – No Update

Rancho Murieta Community Services District

December

Board/Committee Meeting Schedule

December 5, 2023

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

December 7, 2023

Communications & Technology	8:30 a.m.
Security	Canceled

December 20, 2023

Regular Board Meeting - Open Session	5:00 p.m.
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All meetings will be held in person at the District Office: 15160 Jackson Rd.

RESOLUTION 2023-116

A RESOLUTION OF THE BOARD OF DIRECTORS OF RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Rancho Murieta Community Services District Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Rancho Murieta Community Services District;

NOW THEREFORE, BE IT RESOLVED, that the Rancho Murieta Community Services District Board of Directors hereby authorizes the deposit and withdrawal of Rancho Murieta Community Services District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following Rancho Murieta Community Services District officers holding the title(s) specified hereinbelow or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Melinda (Mimi) Morris

Mark Matulich

General Manager

Director of Finance and Administration

Signature

Signature

Section 2. This resolution shall remain in full force and effect until rescinded by Rancho Murieta Community Services District Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at their regular meeting held on this 15th day of November, 2023 by the following roll call vote:

Ayes:
Noes:
Absent:
Abstain:

Timothy E. Maybee, President of the Board
Rancho Murieta Community Services District

[seal]

Attest:

Amelia Wilder
District Secretary

DRAFT

MEMORANDUM

Date: November 15, 2023
To: Board of Directors
From: Michael Fritschi, P.E. – Operations Director
Subject: Water Treatment Facility Membrane Purchase Request

Proposed Action

Approve an augmentation to the Water Budget in the amount not to exceed \$200,000 and authorize the purchase of 15 membrane modules (at roughly \$1,900 each for a total of \$28,664) and a replacement membrane cassette (87 modules per cassette at roughly \$1,620 per module, for a total of \$140,960) (with a 5% contingency for the addition of the two items and 8.75% sales tax) for Water Treatment Plant #1.

History

The District currently has in operation three trains of membranes in Plant 1. Each train houses two cassettes, each cassette holds a total of 87 modules, adding up to 522 modules for the entire plant. Membranes have an average lifecycle of 7-10 years. The current membranes were placed in operation approximately eight years ago in 2015. Many membranes have been stained by manganese and are not repairable and have diminished functionality. In July of this year, the District ordered 15 replacement modules and immediately placed five into service. Since then, an additional six modules needed replacing due to failure. Recently the operations staff replaced four modules and identified three additional modules that need replacing.

Short Term Needs

Staff can order 5 modules at a **per module cost of \$2,537.40** or order 15 modules at a **per module cost of \$1,910.96**. Staff propose to order 15 modules to satisfy the immediate membrane needs. The 15 modules can be shipped relatively quickly (6-8 weeks).

Long Term Needs

While staff have learned to minimize exposure of membranes to manganese, most membranes are nearing the end of their useful life. Staff maintains a membrane “map” that tracks the performance and failures of membranes on a module basis. Staff propose that based on the age and wear pattern of the membranes, the District budget for replacement of a cassette (87 modules) every other year for the next 12 years. The per cassette cost was recently quoted at \$140,960, which corresponds to a **per module cost of \$1,620**. The bulk shipping cost savings and the lower bulk unit price make the cassette purchase approach more effective than continuing to replace individual membrane modules as they fail. The lead time for obtaining a cassette is approximately 54 months, so staff recommend approval as soon as possible. Attached is a spreadsheet of the proposed budget augmentation and purchase totals along with a vendor quote for the cassette.

att. Membrane Cassette Quote from Veolia Water

Estimated Cost of Additional Membrane Modules
for Water Treatment Plant #1

Membrane Modules for WTP	Quantity	Per Unit Cost	Total
Individual units, delivery ASAP	15	\$1,900	\$28,500
Cassette of units, delivery dependent on vendor availability	87	\$ 1,620	\$140,940
Subtotal:			\$169,440
Estimated Tax at 8.75%			\$14,826
Shipping			\$ 6,000
Subtotal:			\$190,266
Plus 5% Contingency			\$9,513
Total/Average Cost/Total:	102	\$1,661	\$199,779



Budgetary Membrane Replacement Proposal

To:	Rancho Murieta Community Services District	Date:	November 7, 2023	
	referred to here as Rancho Murieta, RMCS D or Buyer	No. of Pages:	25 including cover	
Attention:	Travis Bohannon	Email:	tbohannon@rmcsd.com	
Plant Address:	6200 Camino Del Lado Drive, Rancho Murieta, CA 95683 USA	Tel. No.:	916 354 3700	
From:	Jason Diamond Regional Lifecycle Manager Western USA	Email:	jason.diamond@veolia.com	
		Cell No.:	905 399 7055	
CC:	Brad Leidecker (CHC)			
Subject:	Budgetary membrane replacement	Proposal No.:	488060-1	
		Original Project No.:	501096	
Plant Data:	Please provide corrections if inaccurate Rancho Murieta Water Treatment Plant, Municipal Drinking Water. ZW1000, 3 trains, 2 x 87/96M cassettes per train with 450ft ² CPx membranes. Operational date: August 2015			



Proposal Provisos

This proposal has been issued based on the information provided by the customer and on information currently available to Veolia Water Technologies & Solutions at the time of proposal issuance. Any changes or discrepancies in site conditions, including but not limited to changes in system influent water characteristics, changes in environmental health and safety (EH&S) conditions, changes in the reissued state/provincial disposal system permit, changes in buyer financial standing, buyer requirements, or any other relevant change or discrepancy in the factual basis upon which this proposal was created may lead to changes in the offering, including but not limited to changes in pricing, guarantees, quoted specifications, or terms and conditions.

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1 Introduction

Veolia Water Technologies & Solutions is pleased to present this budgetary proposal at the request of Rancho Murieta Community Services District to provide drinking water membrane modules to replace one cassette at the Rancho Murieta Water Treatment Plant (WTP).

Veolia has also included the option of one (1) set of cassette refurbishment components.

Veolia is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver **solutions** that help our clients meet their critical business objectives.

Through long-acquired technical experience, Veolia has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are ready to serve and support RMCS D through this next membrane lifecycle.

This proposal is for budgetary purposes only and does not constitute an offer of sale.

2 Veolia Scope & Price

Veolia’s scope includes the material and services outlined in the table below. The sections that follow provide additional detail regarding each scope item.

Item Description	Part #	Quantity	Price
ZW1000 450ft ² membrane module at GMRP price of USD \$1,303/module, section 2.1	3134285 ¹ 3134363	87	123,316
2-year full replacement membrane warranty, section 8		incl.	
Membrane packaging		incl.	
ZW1000 permeate spigot o-rings (includes spares)		200	
O-ring lubricant		1	
Off-site support, project management, section 5.1		incl.	
International shipment, fees and duties, section 0		incl.	17,644
Freight, DDP Rancho Murieta WTP, section 0	3095534	incl.	
Base Offer Total			140,960
Optional: ZW1000 87/96M cassette refurbishment components (includes freight), section 3		1 set	12,192
Total Price			153,152
All figures are in USD and exclude taxes, which would be applied at the time of invoicing			

Note 1: Membranes are represented by two part numbers - one for membranes delivered in shipping frames (3134363) and one for membranes delivered bagged, boxed and crated (3134285).

2.1 Contractual Basis for Membrane Replacement Price

The base price of replacement ZW1000 450ft² membrane modules for this project is \$1,000 US per module.

Veolia has guaranteed this price for 10 years following start of membrane warranty, subject to adjustment for inflation US CPI All Urban Consumers, not seasonally adjusted) or a maximum equivalent price per gallon of treatment capacity in the event that the module area/permeability etc. changes such that the same amount of feed water can be treated with fewer modules of the next generation design.



GMRP price escalation - calculation of inflation begins on June 16, 2014 (signed contract agreement date). GMRP validity will expire at the end of business on March 1, 2026 (10 years from start of membrane warranty).

To benefit from guaranteed membrane replacement pricing (GMRP) within the contracted time limits, Buyer must submit a purchase order based on a valid proposal or quote prior to the GMRP expiry date, with the expectation of taking membrane delivery within Veolia's standard lead time (provided in section 0).

Membrane replacement prices are quoted FCA, Oakville, Ontario, Canada, with packaging, freight, and taxes extra as the cost of shipping and packaging the membranes to site will depend on the quantity per shipment. Membrane replacement prices are quoted without taxes.

Non-Warranty Adjusted Membrane Replacement Price to November 2023	
Contractually guaranteed membrane replacement price, USD	\$1,000
Inflation index value from June 2014	238.34
Forecasted inflation index value – November 2023	310.58
Inflation index factor	30.31%
Adjusted membrane replacement price for this proposal, USD	\$1,303
Significant time delays between the date of this proposal and the submission of customer PO may lead to further adjustment to the membrane price.	

2.2 Invoicing

Typical Invoicing Schedule	Approximate % of Sub-Total
An invoice will be issued upon acceptance by Veolia of customer purchase order. Approximate percent calculation based on the material, off-site labor, delivery sub-total of the purchase order. Shipment of membranes is contingent on receipt of this initial milestone payment.	30%
An invoice for the balance of the material, off-site labor, delivery sub-total will be issued when membrane module shipping documents are supplied to the carrier.	70%

3 Optional Cassette Refurbishment

Veolia will supply components for refurbishment of 1 x ZW1000 87/96M cassette.

Cassette refurbishment service allows you to fully recondition your cassettes at less cost than purchasing new cassettes. Cassette refurbishment includes the following:

- Removal of all existing plastic parts and associated hardware, other than aerators;
- Installation of all new, current design parts (module mountings, securing mechanisms), and all associated hardware.

Material list for the ZW1000 87/96M cassette refurbishment:

Part Description	Part Number	Quantity
elbow-90,v3,w/valve	3099010	29
oring,EPDM,-131	3098956	182
spacer tray - top with screen	3098992	16
spacer tray, middle	3098993	32
spacer tray - bottom without screen	3099003	13
elbow, permeate	3099007	29
long permeate tee, white	3099006	58
ZW1000 permeate hitch pin	3099015	122
o-ring,EPDM,227,70dur	3112860	238
ZW1000 32s bottom screen ass.	3112882	2
ZW1000 16s dcfm aerator ass.	3112883	8
washer,flat,316,M6	3033661	4
bolt-hh,316,M6x30mm,INOX, A4	3112836	2
nut,lock,hex,nylon insert,316,M6	3033660	2
tray,spacer,bottom with screen	3112843	3
permeate manifold spigot cap	3098959	3

4 Delivery

- **Freight**

- **DDP** - Delivery will be by standard ocean/ground on the basis of DDP Rancho Murieta WTP, 6200 Camino Del Lado Drive, Rancho Murieta, CA, USA or other named place of destination; Incoterms 2020. DDP = delivery duty paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, RMCS D shall specify an alternate, equivalent destination without delay.

Due to varying origins and availability, non-membrane items included in this proposal may be shipped separately from the membranes. Should separate shipments be required, where possible, Veolia will strive to provide these items on or before the delivery of the membranes.

- **Title & Risk** - Title and risk of loss or damage to membrane modules, shipping frame and crating shall pass to RMCS D upon delivery at the named place of destination.

- **International Shipment, Fees, and Duties**

- **Origin** - Delivery of ZeeWeed membranes originates from the Veolia Water Technologies & Solutions, ZENON Membrane Products (ZEM), Bláthy Ottó u 4, Oroszlány, 2840 Hungary facility. Costs to transport membranes into North America are waived for Rancho Murieta per contractual GMRP freight terms.
- **Export Documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. Veolia will prepare and provide the required EPA documentation to the Carrier.
- **MPF** - Merchandise processing fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD \$25 per formal entry and a maximum of USD \$485. On the basis of DDP terms, this fee will be paid by Veolia within the quoted price.
- **Duty** - A US Customs duty of 3.9% applies to all ZeeWeed membranes shipped individually or in shipping frames; not in operational cassette frames. On the basis of DDP terms, this duty will be paid by Veolia within the quoted price. Any new duty imposed after the date of this proposal is the responsibility of RMCS D.
- **Taxes** - All applicable local, state, or federal taxes are the responsibility of RMCS D.
- **Temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing. If required, the price of temperature control will be included within the firm quote on freight by Veolia.



- **Packaging** –Membranes may be delivered factory-installed in shipping frames, individually bagged, boxed and crated or a combination of the two methods depending on availability and urgency of delivery.
- **Unloading** - may require one of or a combination of a loading dock, extended forks and an experienced forklift driver at delivery destination. Please consult with Veolia at the time of purchase order (PO) preparation on this.

shipping crate information (estimated)

Qty	Description	Dimensions (in) (LxWxH)	Weight (lb.)
1	ZW1000 54M shipping frame	89 X 33 X 96	2,874
3	ZW1000 10M membrane crate	64 X 34 X 47	660
1	ZW1000 3M membrane crate	34 X 33 X 30	217

Notes:

- Only crates for membrane transport have been shown above to identify the largest and heaviest items that will need to be unloaded;
- Smaller crates/skids/boxes will be used for hardware items (cassette refurbishment components, etc.).
- **Availability** - Delivery of membrane modules and cassette refurbishment components is typically 10-20 weeks after receipt of order.

With current global logistics and freight delays, delivery is estimated at **54 - 58** weeks after receipt of order.

5 Veolia Support

5.1 Off-Site Support

Project Management

Provide planning and off-site assistance during the membrane replacement project.

6 Scope - RMCSD

6.1 Installation Preparation

- Receive, off-load, handle and provide temperature-controlled storage of the equipment and materials required.
- Membranes must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area at a temperature of 5-30°C (41-86°F). Membranes should not be stored longer than necessary prior to installation. RMCSD is responsible for risk of loss of Seller's parts while in storage at the plant.
- Inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections.

6.2 Installation

All tasks required for the onsite installation of the membranes, removal of existing modules, installation of new modules, including:

- Dispose of shipping and packaging materials unless specifically requested not to do so by Veolia;
- Load shipping frames onto the truck for return to Veolia – Veolia will be responsible for organizing the logistics of delivery back to Veolia.

6.3 Empty Shipping Frame Preparation

All shipping frames returning to Veolia must be clean and packaged appropriately for trans-oceanic transport in shipping containers.

All wooden packaging material used for international shipments must conform to current phytosanitary standards to reduce the risk of introduction and spread of quarantine pest species associated with the movement in international trade of wood packaging material made from raw wood.

All wood packaging material used to transport shipping frames internationally, must comply with ISPM15 which is the standard for phytosanitary measures and be properly stamped indicating compliance with the standard. Failure to comply with the standard may lead to shipment refusal and subsequent project delays. For detailed information on ISPM15 please visit the [ISPM15](#) website.

Whenever possible, save and re-use the wooden skids that the shipping frames arrived on for return freight purposes.

7 Solution Design Notes

7.1 Permits

Regulatory Requirements

RMCS D is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. Veolia will provide the necessary manufacturer's technical support on regulatory issues.

Please speak with your regional lifecycle manager (RLM) if there are any regulatory requirements or concerns.

Utilization

Veolia understands that these modules are required as replacements for currently installed modules.

These modules are offered on the basis that the membrane modules will not be used to provide expanded flow beyond the current plant flow rating. Veolia makes no guarantees, implied or otherwise as to the performance of these modules in any other capacity than as replacement membranes.

Production Interruption

After the purchase order is acknowledged, Veolia's project manager for the installation will consult with RMCS D to jointly develop the installation plan and work schedule with due regard for membrane delivery to the plant and plant preparation.

7.2 Maintenance Notes for Replacement Membranes

At the time of any full plant or full train membrane replacement, it is recommended to evaluate the appropriate timing of repairs or replacement of the following ancillary system components:

- Is it the right time to address any tank coating repairs which may be required?
- Is it the right time to replace non-metal cassette components?
- Are any of the aeration or permeate connection hoses, clamps, camlocks, camlock seals and couplings due for replacement?

Preferential Flow

Mixing a small proportion of new modules in trains with large amounts of older modules is not recommended as it creates a risk of over-fluxing of new modules, which can shorten their lives. Veolia recommends that RMCS D plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules. In this case, by replacing all membrane modules in a cassette, this risk has been minimized.



Membrane Slack

Veolia’s membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The pace of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant’s membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

Maximum Operating Temperature	Recommended Slack Inspection Frequency
0-24 °C / 32-76 °F	every 2 years
25-30 °C / 77-86 °F	once per year
>30 °C / > 86 °F	twice per year

Membrane Repairs

All new modules are factory tested at our manufacturing facilities and are in good working order as they are packaged and crated for shipment. On occasion, a limited number of modules arriving at site may require repairs due to uncontrollable factors during shipping and receiving, in particular with multi-modal shipments. Veolia recommends having one fiber repair kit on hand during the handling and installation of the drinking water modules.

Hoses & Fittings

Veolia has assumed for this proposal that the current aeration and permeate cassette connections for the ZW1000 cassettes do not need replacing at this time. If this is not so, please advise Veolia and request that they be added to this proposal.

Pre-Screen

To ensure effective operation and to maximize membrane life, Veolia recommends operation of a pre-treatment screen, upstream of the pretreatment process, with mesh or punched-hole openings less than or equal to 0.5 mm and with no possibility of bypass or carryover. All processes after this screening must be covered and protected from outside elements such that no leaves, twigs or any foreign material can enter the membrane tank.

8 ZeeWeed Membrane Module Standard Warranty

This schedule sets out the warranty with respect to ZeeWeed membrane modules (“membrane modules”). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer. This warranty is not transferable.

1. Definitions

The follow terms shall have the meaning set forth below when used in the warranty document:

- a. “Buyer” means the party purchasing the ZeeWeed Modules from the Seller
- b. “Seller” means a business component of, or legal entity within the Veolia Water Technologies & Solutions business which is selling the ZeeWeed membranes.

2. Warranty Product

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the hollow fiber ultrafiltration membranes and the potted plastic headers. This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

3. Scope of Warranty

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2020 FCA Veolia manufacturing facility.

All ancillary costs including but not limited to bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, certifications, brokerage, receiving, forklift services, storage at site, reattachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

4. Warranty Start Date

Membrane warranty will start on the earlier of:

- a. The date that installation of the original membrane module(s) has been substantially completed, or
- b. Three (3) months from the date of delivery of the original membrane module(s) to Buyer.



5. Warranty Duration

Total Warranty Duration: a total of **24** months of full replacement warranty coverage.

6. Notification Of Claim

All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.

Buyer shall provide the following information:

- a. A description of the defect giving rise to the claim;
- b. Photographs showing the manufacturing defect;
- c. The serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim; and
- d. Operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

7. Verification of Claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination (see section 11). The Seller may also conduct reasonable tests and inspections at Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

8. Satisfaction of Claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane modules with newer membrane module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

9. Operating Information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail as applicable to verify the subject of a warranty claim and can include but is not limited to, operation data including information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module and the serial number for each



module. Buyer shall log its procedures performed related to a membrane module including relocation of membrane modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where membrane modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the membrane modules.

10. Limitation of Warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

- a. A material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to Buyer as part of the contract, including material failure to adhere to the Seller's specified membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents.
- b. Failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, in published product manuals and in specifications.
- c. Failure to adhere to all transportation and storage requirements. ZeeWeed membrane modules may be stored up to 12 months from date of receipt and must be transported and stored in original intact packaging out of direct sunlight in ambient temperatures between 5-35 Degrees Celsius. Storage beyond 12 months from date of receipt requires a written request to Veolia to maintain membrane module warranties.
- d. Introduction of destructive foreign materials and chemical agents into the membrane module.
- e. Failure to maintain and provide system operating data and repair history for the life of membrane modules which are the subject of a warranty claim.
- f. Physical abuse or misuse, incorrect removal or installation of membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of membrane modules or cassettes.
- g. Unauthorized alteration of any components or parts originally supplied by the Seller.
- h. Intentional damage.

11. Return Procedure

In the event that the return of a membrane module is required pursuant to this warranty, Buyer will first obtain a Return Goods Authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid in environmentally controlled freight and storage with ambient air temperature between 5-35 degree Celsius. If Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned membrane modules pursuant to this warranty is complete. Any membrane module examined by Seller as part of a warranty claim where the membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to Buyer, freight collect or



disposed of by Seller and the cost associated with any membrane analysis and diagnostic work will be levied against the Buyer based on Veolia standard labor rates.

12. Disclaimer and Limitation on Liability

To the maximum extent permitted by law, in no event shall Seller be liable for any loss of profit or revenues, loss of production, loss of use of equipment or services or any associated equipment, interruption of business, cost of capital, cost of replacement water or power, downtime costs, increased operating costs, claims of Buyer’s customers for such damages, or for any special, consequential, incidental, indirect, punitive or exemplary damages arising out of or relating to the performance or actual or alleged breach of the agreement, regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory.

9 Terms and Conditions of Sale

A - Specific Terms and Conditions of Sale

These terms take precedence over the general terms and conditions of sale.

1 Legal Entity for Contracting

ZENON Environmental Corporation is the name of the Seller, and means a business component of, or legal entity within the Veolia Water Technologies & Solutions business (Veolia).

Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up. We are keen to make the purchase process as convenient as possible for RMCSD.

short form: Where a short reference is required in this document, for convenience, we are called simply **Veolia**.

2 Payment

Veolia prefers to receive payment by wire transfer and will also accept payment by courier check.

Wire transfer information for ZENON Environmental Corporation	
send details to: SHD WATS REMIT-NAM vtc.vwts.remit-nam.all@veolia.com	
Bank of America Merrill Lynch C/O ZENON Environmental Corporation 901 Main Street Dallas, TX 75202	ACCT# 4426318136 ABA# 026009593 SWIFT# BOFAUS3N ACH# 111000012

3 Payment Terms

On approved credit, payment terms are **net 30 days** from customer receipt of invoice. Please see the invoicing schedule in the price section. In the event an invoice is issued on shipment of goods from a Veolia Hungarian production facility, payment terms will be extended by an additional 45 days to account for the additional transit time to the delivery location.

4 Proposal Validity

Prices quoted and proposal terms are valid up to **thirty (30) days** after the date of issue of this proposal unless confirmed with a purchase order.



5 Bonds

Performance or payment bonds are not included in the price. These bonds can be purchased on request but will be at an additional cost.

6 Assignment of Membrane Warranty

The Buyer will be entitled to assign to a subsequent owner of the membranes the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the membranes. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party.

B – General Terms and Conditions of Sale

Veolia's standard terms and conditions apply. See Attachment A.

Note to purchasing agent: The Veolia's standard set of commercial terms & conditions are written for moderate value transactions to allow an efficient and rapid provision of services and parts. Where corporate agreement terms have been previously agreed, these may be brought forward by either party and applied by mutual consent. If either of these terms sets are not immediately acceptable, please expect a typical 6-10 week cycle of mutual review to build agreement on changes.

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Attachment A Veolia Standard Terms and Conditions

- 1. Exclusive Terms and Conditions.** Together with any other terms the Parties agree to in writing, these General Terms and Conditions – together with the last proposal in order of time issued by the Seller – form the exclusive terms (“Agreement”) whereby Buyer agrees to purchase, and Seller agrees to sell products and equipment (jointly “Equipment”) and to provide advice, instruction and other services in connection with the sale of that Equipment (“Services”). If Buyer sends to Seller other terms and conditions to which Seller may not respond, including but not limited to those contained in Buyer’s purchase order, such shall not apply. This Agreement may only be revised by a change order approved in writing by both Parties. All terms not defined herein shall be defined in Seller’s proposal.
- 2. Equipment and Services.** The Equipment to be delivered and the Services to be provided shall be as set out in this Agreement. Unloading, handling, storage, installation, and operation of Buyer’s systems or the Equipment are the responsibility of Buyer. Buyer shall not require or permit Seller’s personnel to operate Buyer’s systems or the Equipment at Buyer’s site.
- 3. Prices and Payment.** Buyer shall pay Seller for the Equipment and Services in accordance with the payment schedule (as set forth in Seller’s proposal or, if applicable, in any special conditions agreed to in writing by the Parties). Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller’s invoice. Seller may require a Letter of Credit or other payment guarantee, in which case the stated amount of the guarantee will be adjusted by Buyer in the event of any currency-based adjustment to prices or payment amounts per the Payment Schedule, and Buyer shall deliver the adjusted guarantee within five (5) days of request by Seller. Buyer agrees to reimburse Seller for collection costs, including 2% (two percent) interest per month (not to exceed the maximum amount permitted by applicable law), should Buyer fail to timely pay. Buyer shall have no rights to make any deduction, retention, withholding or setoff relating to any payments due under this Agreement.
- 4. Taxes and Duties.** Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Agreement (“Seller Taxes”). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Agreement or the performance of or payment for work under the Agreement other than Seller Taxes (“Buyer Taxes”). The Agreement prices do not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Agreement price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes. Buyer shall furnish Seller with evidence of tax exemption acceptable to taxing authorities if applicable, prior to execution of the Agreement by both Parties or issuance by the Seller of the order acceptance. Buyer’s failure to provide evidence of exemption at time of order will relieve Seller of any obligation to refund taxes paid by Seller.
- 5. Delivery, Title, Risk of Loss.** Unless otherwise specified in this Agreement, Seller shall deliver all Equipment to Buyer FCA (Incoterms 2020) Seller’s facility. The time for delivery of the Equipment to Buyer shall be specified in this Agreement. Seller’s sole liability for any delay in delivery of the Equipment shall be as expressly set out in this Agreement. The place of delivery specified herein shall be firm and fixed, provided that Buyer may notify Seller no later than forty-five (45) days prior to the scheduled shipment date of the Equipment of an alternate point of delivery, Buyer shall compensate Seller for any additional cost in implementing the change. If any part of the Equipment cannot be delivered when ready due to any cause not attributable to Seller, Buyer shall designate a climate-controlled storage location, and Seller shall ship such Equipment to storage. Title and risk of loss shall thereupon pass to Buyer and amounts payable to Seller upon delivery or shipment shall be paid by Buyer along with expenses incurred by Seller. Services provided herein shall be charged at the rate prevailing at the time of actual use and Buyer shall pay any increase, and Buyer shall pay directly all costs for storage and subsequent transportation. Failure by Buyer to take delivery of the Equipment shall be a material breach of this Agreement.



Title and risk of loss to the Equipment shall be transferred from Seller to Buyer at the point of delivery upon handover in accordance with this Agreement. Title and risk of loss to the Services shall pass as they are performed.

6. Warranties and Remedies. Seller warrants that Equipment shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications. Seller's warranty does not cover the results of improper handling, storage, installation, commissioning, operation or maintenance of the Equipment by Buyer or third parties, repairs or alterations made by Buyer without Seller's written consent, influent water which does not comply with agreed parameters, or fair wear and tear.

Unless otherwise expressly provided in this Agreement, the foregoing warranties are valid for:

- (a) Chemicals and services, for six (6) months from their date of delivery or the provision of Services;
- (b) Consumables, including filters and spiral wound membranes (other than spiral wound membranes for process treatment), the earlier of twelve (12) months from date of first use or fifteen (15) months from their date of delivery;
- (c) Spiral wound membranes for process fluid treatment, ninety (90) days from their date of first use;
- (d) Ultrafiltration membranes (ZW500, ZW700B, ZW1000, ZW1500), twelve (12) months from their date of delivery;
- (e) Equipment other than chemicals and consumables, the earlier of, fifteen (15) months from delivery or shipment to storage, or twelve (12) months from start-up/first use;
- (f) Software, ninety (90) days from the date of receipt;
- (g) Equipment not manufactured by Seller; the warranty shall be the manufacturer's transferable warranty only.

Any claim for breach of these warranties must be promptly notified in writing, and Buyer shall make the defective item available to the Seller, or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Equipment or Services or any breach of these warranties is limited to repair at Seller's facility or (at Seller's option) replace at Seller's facility the defective item of Equipment and re-perform defective Services. In performance of its obligations hereunder, Seller will not control the actual operation of either Buyer's systems or the Equipment at the Buyer's site.

Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period.

The warranties and remedies are conditioned upon (a) proper unloading, handling, storage, installation, use, operation, and maintenance of the Equipment and Buyer's facility and all related system in accordance with Seller's instructions and, in the absence, generally accepted industry practice, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Equipment or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void.

The Buyer will be entitled to assign to a subsequent owner of the Equipment the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the Equipment. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party. The warranties and remedies set forth in this article are in lieu of and exclude all other warranties and remedies, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

Unless otherwise expressly stipulated in this Agreement, Seller gives no warranty or guarantee as to process results or performance of the Equipment, including but not limited to product quality, flow, production, capacity, membrane life, chemical consumption, regulatory compliance or energy consumption.

7. General Indemnity. Seller shall indemnify and hold harmless Buyer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of Seller or its officers, agents, employees, and/or assigns while engaged in activities under this Agreement. Buyer shall likewise indemnify and hold harmless Seller from claims for physical damage to third party property or injury to persons, including death,



to the extent caused by the negligence of the Buyer, its officers, agents, employees, and/or assigns. In the event such damage or injury is caused by the joint or concurrent negligence of Seller and Buyer, the loss shall be borne by each Party in proportion to its negligence. For the purposes of this article (i) "Third party" shall not include Buyer or any subsequent owner of the Equipment, their subsidiaries, parents, affiliates, agents, successors or assigns including any operation or maintenance contractor, or their insurer; and (ii) no portion of the Equipment is "third party property".

8. Compliance with Laws and Permits. All permits, authorizations, and licenses which are required to construct, install and/or operate Buyer's facility or equipment, to use the Equipment, or to manage and dispose of any wastes, discharges, and residues resulting from Buyer's use of the Equipment, shall be obtained and maintained by Buyer at Buyer's sole expense. Buyer is responsible for compliance with all laws and regulations applicable to the storage, use, handling, installation, maintenance, removal, registration, and labeling of all Equipment after delivery of the Equipment, as well as for the proper management and disposal of all wastes, discharges, and residues.

9. Buyer's Site Conditions. Buyer warrants that any data furnished to the Seller concerning conditions at Buyer's site (including but not limited to any existing Buyer facility, equipment or processes, influent water or other substances to be treated or measured with the Equipment) is accurate and complete, and the Seller reserves the right to utilize the most appropriate design compatible with generally accepted engineering practices, and to make changes in details of design, manufacture and arrangement of Equipment unless precluded by any limitations specified in this Agreement. Seller shall notify Buyer of (1) any conditions at Buyer's site which materially differ from those indicated in the data furnished by Buyer, (2) any previously unknown physical conditions at Buyer's site of an unusual nature, not revealed by previous investigations and differing from those ordinarily encountered in the type of work provided for in this Agreement, and (3) the presence of any Hazardous Materials (as defined below), the existence of a contaminated soil, unexploded ordinance, or archaeological remains. If such conditions cause an increase in Seller's cost or in the time required for the performance of Seller's obligations, Seller shall be entitled to an equitable adjustment in the Agreement price and an extension in the time for performance.

10. Hazardous Materials and Wastes. In the event that Seller encounters any Hazardous Materials (meaning toxic substances, hazardous substances, pollutants, contaminants, regulated wastes, or hazardous wastes as such terms may be defined or classified in any law, statute, directive, ordinance or regulations promulgated by any applicable governmental entity) at Buyer's site, other than Hazardous Materials introduced by Seller or that are otherwise the express responsibility of Seller under this Agreement, Buyer shall immediately take whatever precautions are required to legally eliminate such Hazardous Materials so that the Seller's work under this Agreement may safely proceed. At no time shall Seller be deemed to have taken title to or the responsibility for the management or disposal of any wastes, Hazardous Materials, influent water, any resultant product streams, wastewater streams, discharges, cleaning materials, or any other materials or substances processed by the Equipment or otherwise located at Buyer's site. Seller does not take responsibility for and hereby expressly disclaims responsibility for the characterization or disposal of wastes, Hazardous Materials, or for the identification, selection, or management of disposal facilities for any wastes.

11. Excusable Delays. Seller shall not be liable nor in breach or default of its obligations under this Agreement to the extent performance of such obligations is delayed or prevented, directly or indirectly, due to causes beyond the reasonable control of Seller, including, but not limited to: acts of God, natural disasters, unusually severe weather, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Buyer or Buyer's contractors/suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or vendor non-performance. The delivery or performance date shall be extended for a period equal to the time lost by reason of delay or non-performance, plus such additional time as may be necessary to overcome the effect of the delay or non-performance. If delivery or performance is delayed for a period exceeding 180 (one hundred and eighty) days, either Party may terminate this Agreement without further liability provided that Seller shall be paid an amount equal to that which would be payable to Seller under the article entitled "Termination". If Seller is delayed by any acts (or omissions) of Buyer, or by the prerequisite work of Buyer's other contractors or suppliers, Seller shall be entitled to an equitable adjustment in schedule, price and/or performance, as applicable.

12. Emergencies. If the safety of Seller's personnel is threatened or likely to be threatened by circumstances outside the reasonable control of Seller, including but not limited to war, armed conflict, civil unrest, riots, terrorism, kidnapping, presence of or exposure to hazardous materials, unsafe working conditions, or by the threat of such circumstances or a lack of adequate protections against such circumstances, Seller shall be entitled to take all necessary steps to ensure the security and safety of its personnel including the evacuation of personnel until such



circumstances no longer apply. Any such occurrence shall be considered an excusable delay event. Buyer shall reasonably assist in the event of any such evacuation.

13. Confidentiality, Intellectual Property. Both Parties agree to keep confidential the other Party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Equipment to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables (including the Equipment) supplied or developed under this Agreement. Buyer agrees that it will not file patent applications on the Equipment or any development or enhancement of the Equipment, or of processes and methods of using the Equipment, without Seller's express prior written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its other buyers based upon purchase and use of such Equipment. Seller grants to Buyer a non-exclusive, non-terminable, royalty free license to use the intellectual property embedded in Equipment delivered to and paid for by the Buyer, as well as any drawings, design or data delivered to and paid for by the Buyer, for the purposes of owning, financing, using, operating and maintaining the relevant Equipment at Buyer's site. Such license may only be assigned to a subsequent owner of the Equipment or to an operations and maintenance subcontractor. Such license does not extend to the re-creation of the Equipment or the manufacture of spares or consumables by Buyer or third parties.

Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to Buyer a limited, non-exclusive and terminable royalty free project-specific license to such software for the use, operation or maintenance at Buyer's site of any Equipment purchased hereunder to which the software is a necessary component. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software.

Seller shall indemnify and hold harmless Buyer from any rightful claim of any third party that any Equipment or Service infringe a patent in effect in the USA, or country of delivery (provided there is a corresponding patent issued by the USA), or USA copyright or copyright registered in the country of delivery. If the Buyer notifies the Seller promptly of the receipt of any such claim, does not take any position adverse to the Seller regarding such claim and gives the Seller information, assistance and exclusive authority to settle and defend the claim, the Seller shall, at its own expense and choice, either (i) settle or defend the claim and pay all damages and costs awarded in it against the Buyer, or (ii) procure for the Buyer the right to continue using the Equipment or Service, or (iii) modify or replace the Equipment or Service so that it becomes non-infringing, or (iv) remove the infringing Equipment and refund the price. The above paragraph shall not apply to any misuse of Equipment or Equipment which is manufactured to the Buyer's design, or to alleged infringement arising from the combination, operation, or use of any Equipment or Services with other equipment or services when such combination is part of any allegedly infringing subject matter. The foregoing list of sub-sections (i), (ii), (iii), and (iv) and related terms state the entire liability of the Seller for intellectual property infringement by any Equipment or Service.

14. Limitations on Liability. Notwithstanding anything else contained in this Agreement, to the maximum extent permitted by law, and regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, tort (including negligence or strict liability), statute, equity or any other legal theory:

- (a) THE TOTAL LIABILITY OF THE SELLER AND OF ITS INSURER FOR ALL CLAIMS ARISING OUT OF OR RELATING TO THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR USE OF ANY EQUIPMENT OR SERVICES SHALL NOT EXCEED THE TOTAL PRICE PAID BY BUYER UNDER THIS AGREEMENT OR (IN THE CASE OF AN AGREEMENT FOR SERVICES WITH A TERM OF MORE THAN ONE YEAR) THE ANNUAL PRICE PAYABLE BY BUYER UNDER THIS AGREEMENT;
- (b) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF PRODUCTION, LOSS OF USE OF EQUIPMENT OR SERVICES OR ANY ASSOCIATED EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF REPLACEMENT WATER OR POWER, DOWNTIME COSTS, INCREASED OPERATING COSTS, CLAIMS OF BUYER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES;
- (c) SELLER'S LIABILITY SHALL END UPON EXPIRATION OF THE APPLICABLE WARRANTY PERIOD, PROVIDED THAT BUYER MAY CONTINUE TO ENFORCE A CLAIM FOR WHICH IT HAS GIVEN NOTICE PRIOR TO THAT DATE BY COMMENCING AN ACTION OR ARBITRATION, AS APPLICABLE UNDER THIS AGREEMENT, BEFORE EXPIRATION OF ANY STATUTE OF LIMITATIONS OR OTHER LEGAL TIME LIMITATION BUT IN NO

Veolia Confidential and Proprietary Information

Budgetary membrane replacement proposal for the Rancho Murieta WTP

Proposal number 488060 – revision # 1 – November 7, 2023

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EVENT – TO THE EXTENT PERMITTED BY APPLICABLE LAW – LATER THAN FIVE (5) MONTHS AFTER EXPIRATION OF SUCH WARRANTY PERIOD.

For the purposes of this article, "Seller" shall mean Seller, its affiliates, subcontractors and suppliers of any tier, and their respective agents and employees, individually or collectively. If Buyer is supplying Seller's Equipment or Services to a third party, Buyer shall require the third party to agree to be bound by this article. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this article.

15. Termination. This Agreement and any performance pursuant to it may be terminated by either Party, and the consequences of such termination shall be as set out in the next paragraph, if the other Party

- (a) Becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for the benefit of its creditors, or files for protection from creditors under any bankruptcy or insolvency laws; or
- (b) Fails to make any payment when due or to establish any payment security required by this Agreement or commits a material breach or defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days of written notice from the other Party.

Upon the termination of this Agreement by Buyer for cause (i) Seller shall reimburse Buyer the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Agreement price allocable to Equipment completed, and (b) amounts for Services performed before the effective date of termination. Upon the termination of this Agreement by Seller for cause Buyer shall pay to Seller within thirty (30) days of receipt of invoice the price of all Equipment or Services delivered at the date of termination, plus an amount equal to all costs and expenses incurred in the engineering, sourcing, financing, procurement, manufacture, storage and transportation of the Equipment including materials, work in progress and any cancellation charges assessed against Seller by Seller's suppliers including reasonable overhead and profit on all such costs and expenses. Alternatively, if any schedule of termination payments has been agreed between the Parties, Buyer shall pay to Seller within thirty (30) days of receipt of invoice the amounts set out in that schedule.

Seller shall have the right to suspend performance upon written notice to Buyer in any case where Seller would have the right to terminate the Agreement under this article, without prejudice to Seller's right to terminate this Agreement for cause. Any cost incurred by Seller in accordance with any such suspension (including storage costs) shall be payable by Buyer upon submission of the Seller's invoice(s). Performance of the Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of such suspension.

16. Governing Law, Dispute Resolution. This Agreement shall be governed by the substantive laws of the State of ~~New York~~ California. In the event of a dispute concerning this Agreement, the complaining Party shall notify the other Party in writing thereof. Management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court closest to the Buyer and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this article.

Notwithstanding the foregoing, each Party shall have the right to commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Agreement, in order to seek and obtain a restraining order or injunction to enforce the confidentiality intellectual property provisions set forth in the first two paragraphs of article 13; nuclear use restrictions set forth in article 17, or to seek interim or conservatory measures not involving monetary damages.

17. No Nuclear Use. Equipment and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, the Buyer warrants that it shall not use or permit others to use the Equipment or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability.

18. Export Control. Seller's obligations are conditioned upon Buyer's compliance with all USA and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Equipment (including



software and technical data) other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

19. Changes. Each Party may at any time propose changes in the schedule or scope of Equipment or Services. All changes to the Equipment or Services shall be subject to mutual agreement via a written change order or variation, which shall only become effective once signed by both Parties. The scope, Agreement price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. It shall be acceptable and not considered a change if Seller delivers Equipment (including Equipment replacement under warranty) that bears a different, superseding or new part or version number compared to the part or version number listed in the Agreement, provided that in no circumstance shall this affect any other of Seller's obligations including those set forth in article 6.

20. Conflicts; Survival, Assignment. If there is any conflict between this Agreement and any written proposal or quotation provided by Seller, then the terms and conditions set forth in this Agreement shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and this Agreement shall be interpreted and implemented in a manner which best fulfills Parties' intended agreement. Those provisions which by their nature remain applicable after termination shall survive the termination of this Agreement for any reason. Seller may assign or novate its rights and obligations under the Agreement, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Agreement to any party without Buyer's consent, and the Buyer hereby agrees, by signing this Agreement, to such assignment and to execute any document that may be necessary to complete Seller's assignment or novation. This Agreement shall not otherwise be assigned by either Party without the other Party's prior written consent, and any assignment without such consent shall be void.

Seller may (i) manufacture and source the Equipment and any part thereof globally in the country or countries of its choosing; and (ii) may subcontract portions of the Services, so long as Seller remains responsible for such.

21. No Third Party Beneficiary. Except as specifically set forth in the article entitled "Limitations on Liability" and "No Nuclear Use", this Agreement is not intended to, and does not, give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

22. Entire Agreement. This Agreement embodies the entire agreement between Buyer and Seller and supersedes any previous documents, correspondence or agreements between them. No modification, amendment, revision, waiver, or other change shall be binding on either Party unless agreed in writing by the Party's authorized representative. Any oral or written representation, warranty, course of dealing, or trade usage not specified herein shall not be binding on either Party. Each Party agrees that it has not relied on, or been induced by, any representations of the other Party not contained in this Agreement.



Attachment B ZENON Environmental W9

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
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Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Zenon Environmental Corporation	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶ _____	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>5</u> Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.) See instructions. 3600 Horizon Blvd.	Requester's name and address (optional)
	6 City, state, and ZIP code Treose, PA 19053	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)																																																							
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.	<table border="1"> <tr><th colspan="9">Social security number</th></tr> <tr><td> </td><td> </td><td> </td><td>-</td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td colspan="9" style="text-align: center;">or</td></tr> <tr><th colspan="9">Employer identification number</th></tr> <tr><td>3</td><td>8</td><td>-</td><td>2</td><td>5</td><td>4</td><td>9</td><td>3</td><td>2</td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </table>	Social security number												-						or									Employer identification number									3	8	-	2	5	4	9	3	2									
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Part II Certification	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and	
3. I am a U.S. citizen or other U.S. person (defined below); and	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.	

Sign Here	Signature of U.S. person ▶	Date ▶ 01/19/2023
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General Instructions Section references are to the Internal Revenue Code unless otherwise noted. Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9 . Purpose of Form An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following: • Form 1099-INT (interest earned or paid)	<ul style="list-style-type: none">• Form 1099-DIV (dividends, including those from stocks or mutual funds)• Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)• Form 1099-S (proceeds from real estate transactions)• Form 1099-K (merchant card and third party network transactions)• Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)• Form 1099-C (canceled debt)• Form 1099-A (acquisition or abandonment of secured property) Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN. <i>If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.</i>
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ZENON ENVIRONMENTAL CORPORATION

ADDENDUM TO FORM W-9

Zenon Environmental Corporation owns or leases various properties in its business activities in addition to the Trevoze, PA property listed as the official Tax mailing address on lines 5 and 6 of Form W-9.

Specifically, Zenon Environmental Corporation operates from the following address:

3239 Dundas Street West
Oakville, Ontario, L6M 4B2 Canada

This address should be used for your billing records.

MEMORANDUM

Date: November 9, 2023
To: Board of Directors
From: Andrew Ramos, District General Counsel
Subject: Rancho Murieta Community Services District Staff Report for Consideration of Resolution Declaring Certain Property Exempt Surplus Under the Surplus Land Act

The District and Rancho Murieta Association (RMA) have long expressed a desire for the District to transfer the pedestrian bridge back to RMA. The details of a potential transfer will need to be negotiated between the District and RMA. However, before the District may consider transferring the Property to RMA, state law requires the District to adopt Resolution R2023-17 to establish that the Property is “exempt surplus” in accordance with the Surplus Land Act and therefore available for transfer to other parties.

The purpose of the Act is to make public lands available for housing. Government Code Section 54220 et seq. establishes that a local agency may determine that land it owns in fee to be “surplus” and not necessary for the agency’s use at a regular public meeting. The Act further requires property to be declared as “surplus land” or “exempt surplus land” prior to taking actions to dispose of such properties. In this case, the pedestrian bridge lands fall within the classification of “exempt surplus land” under Government Code section 54221, subdivision (f)(1)(G), because the Property is subject to valid legal restrictions that would make the Property impossible to use for housing.

Upon the passing of this proposed Resolution R2023-17, the District would be free to negotiate the transfer of the Property to RMA. The ultimate decision on whether to transfer the pedestrian bridge to RMA would come back to the Board for further consideration at a future meeting. District staff recommends that the Board of Directors pass and adopt Resolution No. R2023-17 Declaring Certain Property Exempt Surplus under the Surplus Land Act.

RESOLUTION NO. R2023-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT DECLARING CERTAIN PROPERTY EXEMPT SURPLUS LAND UNDER THE SURPLUS LAND ACT

WHEREAS, the Surplus Land Act (the "Act"), codified in California Government Code Section 54220 et seq., defines "surplus land" as land owned in fee by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use;

WHEREAS, effective January 1, 2020, Assembly Bill 1486 amended the Act to require the Rancho Murieta Community Services District (the "District") to formally declare District-owned properties as "surplus land" or "exempt surplus land" prior to taking actions to dispose of such properties;

WHEREAS, the District's Board of Directors previously authorized the acquisition of Assessor's Parcel No. 073-0190-107, more particularly described in Exhibit A (hereinafter "Property");

WHEREAS, the Property is the site of the facility commonly known as the pedestrian bridge;

WHEREAS, the Property is subject to a number of easements in favor of other parties, including an Easement and Maintenance Agreement, recorded on May 30, 2006 in the Official Records of the Sacramento County Recorder, granting a perpetual easement over the Property and pedestrian bridge in favor of the Rancho Murieta Association ("RMA") for trail purposes;

WHEREAS, the Easement and Maintenance Agreement further states it is made in favor of all current and future residents and owners of property within Rancho Murieta, including, but not limited to, RMA as easement holder and the Rancho Murieta Country Club;

WHEREAS, the Easement and Maintenance Agreement contains no provisions authorizing the District to terminate the agreement;

WHEREAS, portions of the Property are within the high-water marks of the Cosumnes River and subject to the rights of the State and public;

WHEREAS, the rights held by others described in this Resolution, and any other rights recorded against the Property in favor of others, constitute valid, legal restrictions not imposed by the District that would make housing on the Property prohibited;

WHEREAS, District staff has evaluated the issues, benefits, and risks associated with approving the disposal of the Property in accordance with the Act, and now recommends that the Board adopt a resolution declaring the Property exempt surplus land and authorizing the General Manager to carry out related actions necessary to comply with the Act;

WHEREAS, this declaration of Property does not obligate the District to subsequently dispose of the Property and the District may in the future determine that the Property is necessary for District use and not move forward with any disposition of the Property; and,

WHEREAS, the Board of Directors has reviewed this Resolution and now desires to declare the Property as exempt surplus land under the Act, based on the findings and justifications contained in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Rancho Murieta Community Services District as follows:

1. The Board of Directors hereby declares that the Property is exempt from the Act as exempt surplus land pursuant to Government Code section 54221(f)(1)(G), based on the findings contained in this Resolution; namely, that the Property is subject to valid legal restrictions that are not imposed by the District and would make housing on the Property prohibited.

2. The Board of Directors authorizes and directs the General Manager and District legal counsel to take such other actions as necessary or appropriate to comply with the Act.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District on the 15 day of November, 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Timothy E. Maybee
President of the Board of Directors

Attest:

Amelia Wilder District Secretary

EXHIBIT A

Property Legal Description

The Land situated in the State of California, County of Sacramento, and described as follows: A portion of Parcel 7 as shown on that "Amended Parcel Map-Amending Map filed in Book 117, Parcel Maps, Page 15" filed in Book 123 of Parcel Maps, at Page 26 in the Office of the Recorder of Sacramento County, California described as follows: Beginning at a point from which a 3/4" iron pipe at the centerline intersection of De La Cruz Drive and Granlee Lane as said intersection is shown on the "Plat of Rancho Murieta Unit No. 6" filed in Book 213 of Maps at Page 6, Sacramento County Records bears North 12° 56' 25" East 417.25 feet to a point on the Northerly line of said Parcel 7 and the centerline of Granlee Lane as shown on said "Plat of Rancho Murieta Unit 6", and along said centerline, North 15° 05' 46" West 156.70 feet; Thence from said point of beginning South 12° 12' 16" East 20.00 feet; Thence South 77° 47' 44" West 130.91 feet; Thence South 14° 17' 37" East 340.83 feet; Thence North 75° 42' 23" East 50.00 feet; Thence South 14° 17' 37" East 67.49 feet to a point on the Northerly line of an Easement Quitclaim Deed to Rancho Murieta Community Services District recorded in Book 20040924, Page 1234, Sacramento County Records; Thence along said Northerly line and along the arc of a curve to the left having a radius of 300.00 feet, through a central angle of 19° 26' 56", said arc being subtended by a chord of South 85° 03' 21" West 101.35 feet; Thence continuing along said Northerly line and along the arc of a curve to the left having a radius of 300.00 feet, through a central angle of 16° 39' 24", said arc being subtended by a chord of South 67° 00' 11" West 86.91 feet; Thence continuing along said Northerly line South 58° 40' 29" West 67.03 feet; Thence leaving said Northerly line North 14° 17' 37" West 95.09 feet; Thence North 75° 42' 23" East 75.00 feet; Thence North 14° 17' 37" West 404.15 feet; Thence North 77° 47' 44" East 151.91 feet; Thence South 12° 12' 16" East 30.00 feet; Thence North 77° 47' 44" East 106.63 feet; Thence South 12° 12' 16" East 20.00 feet to the point of beginning.

APN: 073-0190-107