



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CALIFORNIA 95683
916-354-3700
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AGENDA

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

REGULAR BOARD MEETING

December 20, 2017

Call to Order and Closed Session 4:00 p.m. / Open Session 5:00 p.m.
District Administration Building – Board Room
15160 Jackson Road
Rancho Murieta, CA 95683

BOARD MEMBERS

Mark Pecotich	President
Morrison Graf	Vice President
Les Clark	Director
John Merchant	Director
Gerald Pasek	Director

STAFF

Mark Martin	General Manager
Jeff Werblun	Acting Security Chief
Paul Siebensohn	Director of Field Operations
Eric Thompson	Controller
Suzanne Lindenfeld	District Secretary
Richard Shanahan	District General Counsel

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

DECEMBER 20, 2017

REGULAR BOARD MEETING

Call to Order and Closed Session 4:00 p.m. / Open Session 5:00 p.m.

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

1. **CALL TO ORDER** - Determination of Quorum – President Pecotich (**Roll Call**) 4:00

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

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.

3. **CLOSED SESSION**

Under Government Code 54957: Public Employee Performance Evaluation of the General Manager.

Under Government Code 54957.6: Conference with designated Labor Negotiator Mark Martin, regarding negotiations with the International Union of Operating Engineers, Local 3, AFL-CIO.

4. **OPEN SESSION/REPORT ACTION FROM CLOSED SESSION** 5:00

The Board will discuss items on this agenda, and may take action on those items, including informational items and continued items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent, and a resolution is passed by a two-thirds (2/3) vote declaring that the need for action arose after posting of this 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.*

5. **EMPLOYEE ANNOUNCEMENTS, PROMOTIONS, COMMENDATIONS, AND KUDOS**

6. **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 agendized. Members of the public wishing to address a specific agendized 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 address the Board at this time or at the time of an agendized item, as a courtesy, please state your name and address. Speakers presenting individual opinions shall have 3 minutes to speak. Speakers presenting opinions of groups or organizations shall have 5 minutes per group.

- 7. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.)** All items in Agenda Item 7 will be approved as one item if they are not excluded from the motion adopting the consent calendar.
 - A. Approval of Board and Committee Meeting Minutes
 1. November 15, 2017 Regular Board Meeting Minutes
 2. December 5, 2017 Improvements Committee Meeting Minutes
 3. December 5, 2017 Finance Committee Meeting Minutes
 - B. Approval of Bills Paid Listing
- 8. STAFF REPORTS (Receive and File)**
 - A. General Manager's Report
 - B. Administration/Financial Report
 - C. Security Report
 - D. Water/Wastewater/Drainage Report
- 9. CORRESPONDENCE**
- 10. RECEIVE AND FILE THE 2016-2017 ANNUAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUDIT REPORT AND THE COMMUNITY FACILITIES DISTRICT #2014-1 AUDIT REPORT (Receive and File) (10 min.)**
- 11. CONSIDER APPROVAL OF THE REVISED RANCHO MURIETA MASTER TRAIL PLAN (Discussion/Action) (Motion) (5 min.)**
- 12. CONTINUE DISCUSSION AND CONSIDERATION OF POTENTIAL ACQUISITION OF RANCHO MURIETA COUNTRY CLUB GOLF COURSE AND OTHER ASSETS, OPEN SPACE AND TRAIL AREAS, AND NEW COMMUNITY RECREATIONAL AMENITIES – RECREATION GOALS AND OBJECTIVES, PROJECT VISION, AND STAKEHOLDER OUTREACH (Discussion/ Action) (Motion) (30 min.)**
- 13. CONSIDER ADOPTION OF ORDINANCE O2017-02 AMENDING DISTRICT CODE CHAPTER 8 CONCERNING COMMUNITY FACILITIES FEE (Discussion/Action) (Motion) (Roll Call Vote) (5 min.)**
- 14. CONSIDER PAYMENT OF ADDITIONAL COSTS TO N.J. MCCUTCHEN, INC., FOR BONDING COSTS RELATED TO THE WASTEWATER HYDROPNEUMATIC TANK REPLACEMENT PROJECT (Discussion/Action) (Motion) (5 min.)**
- 15. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES (Discussion/Action) (Motion) (5 min.)**
- 16. CONSIDER COMMITTEE ASSIGNMENTS (Discussion) (5 min.)**

17. REVIEW DISTRICT MEETING DATES/TIMES FOR JANUARY 2018

- A. Improvements – January 2, 2018 at 8:30 a.m.
- B. Finance – January 2, 2018 at 9:30 a.m.
- C. Personnel – January 2, 2018 at 10:00 a.m.
- D. Security – January 4, 2018 at 4:00 p.m.
- E. Communications – January 4, 2018 at 4:30 p.m.
- F. Board Goal Workshop – January 15, 2018 at 2:00 p.m. to 5:00 p.m.
- G. Regular Board Meeting – January 17, 2018 - open session at 5:00 p.m.

18. 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.*

19. 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 72 hours prior to a regular 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."

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is December 15, 2017. Posting locations are: 1) District Office; 2) Rancho Murieta Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING**

November 15, 2017

Call to Order and Closed Session 4:00 p.m. / Open Session 5:00 p.m.

1. CALL TO ORDER/ROLL CALL

President Mark Pecotich called the Regular Board Meeting of the Board of Directors of Rancho Murieta Community Services District to order at 4:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Mark Pecotich, Morrison Graf, Les Clark, and John Merchant. Director Gerald Pasek was absent. Also, present were Mark Martin, General Manager; Edward R. Crouse, Interim Assistant General Manager; Paul Siebensohn, Director of Field Operations; Eric Thompson, Controller; Jeff Werblun, Acting Security Chief; Suzanne Lindenfeld, District Secretary; and Richard Shanahan, District General Counsel.

2. ADOPT AGENDA

Motion/Merchant to adopt the agenda. Second/Clark. Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

3. EMPLOYEE ANNOUNCEMENTS, PROMOTIONS, COMMENDATION, AND KUDDOS

Mark Martin, General Manager, gave a brief summary of the letter of commendation the District received regarding Security Patrol Officer Hardenburg.

4. BOARD ADJOURNED TO CLOSED SESSION AT 4:03 P.M. TO DISCUSS THE FOLLOWING ITEMS:

Under Government Code 54957.6: Conference with designated Labor Negotiator Mark Martin, regarding negotiations with the International Union of Operating Engineers, Local 3, AFL-CIO.

Under Government Code 54957: Public Employee Performance Evaluation of the General Manager.

5. BOARD RECONVENED TO OPEN SESSION AT 5:00 P.M. AND REPORTED THE FOLLOWING:

Under Government Code 54957.6: Conference with designated Labor Negotiator Mark Martin, regarding negotiations with the International Union of Operating Engineers, Local 3, AFL-CIO. **Nothing to report.**

Under Government Code 54957: Public Employee Performance Evaluation of the General Manager. **Nothing to report.**

6. COMMENTS FROM THE PUBLIC

None.

7. CONSENT CALENDAR

Motion/Graf to adopt the consent calendar. Second/Clark. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

8. STAFF REPORTS

Under Agenda Item 8A, President Pecotich stated that the job announcement for Security Chief will be put out again and the Security Department Assessment Draft Report has been reviewed by staff and comments forwarded to the consultants.

Director Clark stated that goals, objectives, or policies have not been developed yet regarding the District becoming involved in the passive recreation use of the Murieta Gardens drainage basin including issues of management and liability.

Under Agenda Item 8B, Director Clark asked about the adjusted net income loss. Eric Thompson stated that some expenses included in the Water Department right now related to the CIA ditch repairs, which will be billed back.

Under Agenda Item 8C, President Pecotich commented on how well Security is doing on email capture, an increase of about 658 emails since implementing the GATEACCESS.NET. Jeff Werblun, Acting Security Chief, stated that he does not have an exact count but the number of emails has increased as the program is getting a lot of use by the residents.

Under Agenda Item 8D, President Pecotich commented on the solar power coming on line. Paul Siebensohn, Director of Field Operations, stated that the wastewater solar facility has been on line and as of November 8, 2017, the water treatment plant solar facility has been on line.

Director Merchant asked for a snapshot of the next SMUD bill to see the savings with the solar facilities in use.

9. CORRESPONDENCE

None.

10. CONSIDER APPROVAL OF GEYER/WEST SEWER EASEMENT QUITCLAIM DEED

Mark Martin, General Manager, gave a brief summary of the concerns raised by Mr. Geyer and Ms. West regarding the circumstances under which they executed this conveyance and now seek “annulment” of the easement. After a series of settlement discussions with Bill Geyer, Naida West, Jennifer West, Jacob Kurtz, Realtor, potential future owners, and John Sullivan, it was agreed to allow the District to quitclaim the 2015 easement with the parties agreeing to negotiate in good faith in the future on a new sewer easement.

Motion/Graf to adopt Resolution R2017-13 Approving Geyer Sewer Easement Quitclaim. Second/Clark. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

11. CONSIDER REVISED WATER SUPPLY AUGMENTATION FEE AND FACILITIES CAPITAL IMPROVEMENT FEE STUDY UPDATE; INTRODUCE ORDINANCE O2017-02 AMENDING DISTRICT CODE CHAPTER 8, CONCERNING COMMUNITY FACILITIES FEES

Mark Martin, General Manager, gave a brief overview of the revised Water Supply Augmentation Fee and Facilities Capital Improvement Fee Study and ordinance.

Director Clark commented on the supplemental staff report is just to augment the record from the standpoint of the fact that this ordinance actually does two (2) things: it adopts the fees for Capital Improvement Program and Water Augmentation Fees. In addition, it adopts the strategy, the method and means of supplying supplemental water, from the augmentation wells to the use of a reclaimed water supply.

Motion/Clark to introduce Ordinance O2017-02 amending District Code Chapter 8, Community Facilities Fees, waive the full reading of the Ordinance and continue to the December 20, 2017 Regular Board Meeting for adoption. Second/Graf. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

12. DISCUSSION AND CONSIDERATION REGARDING ACQUISITION OF RANCHO MURIETA COUNTRY CLUB GOLF COURSE AND OTHER ASSETS AND OPEN SPACE AND TRAILS

Mark Martin, General Manager, gave a PowerPoint presentation regarding the potential acquisition of golf club and open space. Areas covered included: LAFCo recreation latent power authorization, recreation goals and policies, refining the proposal, open space options, legal questions, financing, financial considerations, the need to develop District Code Chapter 23 regarding public recreation, refining the proposal, what lots/parcels and facilities to be acquired, what are the potential amenities and who will operate/maintain them, and which lots would be subject to assessment, and how to finance the purchase and continued operations and maintenance.

Legal questions include the ability to restrict golf course use to residents only, and effect on the reclaimed water usage agreement if bankruptcy of the Club occurs.

Some of the financial impacts to the District include loss of property tax, loss of security fees, new insurance risk, and reduced spread of facilities financing.

Benefits of acquisition include reduced Country Club expense basis, maintain spray fields, maintain amenity of golf in the community, increase amenities to create a family resort atmosphere, keep watershed to reservoirs natural, reduce development impact, and enhancement of property values.

Director Clark commented on his feeling that this is two (2) separate proposals and should be evaluated separately, the need to consider the full range of effects, staff time, cost to the District, the need to first develop District Code Chapter 23 regarding public recreation, and the need for a maintenance District to be formed.

Director Graf commented on there being several pieces to the project to be looked at which includes water rights, drainage issues, golf operations, financing and a cultural change to the community.

Director Merchant commented on the need to look at the vision and impact of the acquisition going through and not going through, need to develop a plan, create one (1) homeowners association (HOA) instead of multiple HOAs, and the effect to the value of homes if this does not go forward.

Ted Hart thanked Mark Martin, General Manager, for the presentation and stated that the first thing to do should be to see what members want vs. what they are willing to pay for before going forward with the acquisition.

Richard Brandt commented on how important he feels this is to be addressed now, as this may be the last best chance.

President Pecotich commented on the need for the Board to give direction to staff on how to proceed, the need for stakeholders to get together, consider the effect from the different organizations point of view, and have a draft of the wants, goals and objectives written by the next meeting, and set a vision.

Motion/Pecotich *to set a vision of what we are intending to achieve with this acquisition including goals and objectives, writing them down on paper from not only the District's standpoint but in the context of the other entities involved which means discussion with the landowners and cooperating entities to formulate a plan for*

the entire community. Consider the polling of residents to figure out and understand what we are looking at, what we are thinking about and what they are willing to pay.

Director Graf suggested inserting "Draft Vision of the Potential Acquisition". President Pecotich agreed.

Director Clark suggested that the request was that we develop a community recreation vision in terms of the goals and objectives.

President Pecotich agreed to insert the word "community".

Second/Graf. Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

13. CONSIDER APPROVAL OF AMENDED PROPOSAL FROM WATCHDOG SURVEILLANCE FOR SOUTH GATE CAMERA UPGRADE

Mark Martin, General Manger, gave a brief summary of the amended proposal for the South Gate camera up grade. The original proposal did not include prevailing wage. This approval is for the total amount, including the prevailing wage. The percentage differences in the labor cost increases are due to a sliding scale system for the prevailing wage.

Motion/Clark to approve the quote from WatchDogs Surveillance for the purchase of the new South Gate camera system with license plate recognition cameras, in an amount not to exceed \$26,233.39 including tax and a ten percent (10%) contingency. Funding to come from Security Replacement Reserves. **Second/Graf. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.**

14. CONSIDER APPROVAL OF PROPOSAL FROM FRITTS FORD FOR REPLACEMENT OF FIELD OPERATIONS TRUCK

Paul Siebensohn, Director of Field Operations, gave a brief summary of the recommendation to approve the proposal for replacement of a field operations truck.

Motion/Graf to approve the proposal from Fritts Ford for the purchase of a replacement Field Operations truck, in an amount not to exceed \$39,090.88 including tax and a ten percent (10%) contingency. Funding is to come from Sewer Replacement Reserves, CIP 16-01-2. **Second/Merchant. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.**

15. CONSIDER APPROVAL OF MAIN LIFT SOUTH STORMWATER PUMP REPAIRS

Paul Siebensohn, Director of Field Operations, gave a brief summary of the recommendation to approve the proposal from Delta Pump Co. for Main Lift South stormwater pumps 2 and 3 repairs.

Motion/Clark to approve the proposal from Delta Pump Co. for Main Lift South stormwater pumps 2 and 3 repairs in an amount not to exceed \$68,531.10 including tax and a ten percent (10%) contingency. Funding to come from Drainage Reserves. **Second/Graf. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.**

16. CONSIDER APPROVAL OF COSUMNES IRRIGATION ASSOCIATION DITCH QUITCLAIM DEEDS AND EASEMENTS

Mark Martin, General Manager, gave a brief summary of the recommendation to approve the Cosumnes Irrigation Association ditch quitclaim deeds and easements. The old CIA ditch easements need to be quitclaimed and three (3) new easements dedicated. As part of the overall Murietta Marketplace Development, new parcels and private road rights-of-way are created. The old CIA ditch easement crosses

several property lines and private road(s). Part of the urgency for the need to record and abandon the CIA Ditch easement is that the developer needs to record the quitclaim before they convey ownership (sell) parcel 11.

Motion/Graf to approve CIA Ditch quitclaims and easements. Second/Clark. Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

17. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES

No discussion.

18. REVIEW SEPTEMBER BOARD/COMMITTEE MEETING DATES/TIMES

No discussion.

19. DIRECTOR COMMENTS AND SUGGESTIONS

Eric Thompson, Controller, stated he received the draft audit report Sunday night and is currently reviewing the report. The goal is to have the report to the Finance Committee and the Board in December 2017.

Jeff Werblun, Acting Security Chief, stated that all Patrol Officer positions have been filled. There is still one (1) Gate Officer position vacant.

Director Merchant thanked Paul Siebensohn for getting the sewer leak by his house repaired so quickly.

Director Graf gave a brief overview of the Mountain Counties Water Resources Association conference on Sierra Nevada watersheds. They had several speakers, main topic was the Delta, the stressors, and the fixes and what was most surprising is the understanding of the power of the sports fishing industry in terms of waterways.

Director Clark stated he would like to meet with the General Manager regarding issues mentioned on Agenda Item 12 Ordinance O2017-2.

President Pecotich stated that the Greens Park ribbon cutting ceremony would take place on November 21, 2107 at 4:00 p.m., at the Security Committee meeting a very positive comment about Jeff Werblun and the interaction and collaboration we are having with RMA right now. President Pecotich thanked Edward Crouse for all the help he has provided with the transition of general managers. Director Clark agreed.

Mark Martin, General Manager, thanked Edward R. Crouse for all the help he has provided and stated that the staff has been very welcoming and hardworking. He also thanked Coastland Engineers, District Engineers, and Richard Shanahan, District General Counsel, for all their assistance over the last few weeks.

20. ADJOURNMENT

Motion/Pecotich to adjourn at 7:12 p.m. Second/Clark. Ayes: Pecotich, Graf, Clark, Merchant. Noes: None. Absent: Pasek. Abstain: None.

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

MEMORANDUM

Date: December 5, 2017
To: Board of Directors
From: Improvements Committee Staff
Subject: December 5, 2017 Improvements Committee Meeting Minutes

1. CALL TO ORDER

Director Graf called the meeting to order at 8:30 a.m. Present were Directors Graf and Clark. Present from District staff were Mark Martin, General Manager; Paul Siebensohn, Director of Field Operations; Eric Thompson, Controller; and Suzanne Lindenfeld, District Secretary.

2. PUBLIC COMMENT

None.

3. MONTHLY UPDATES

The Retreats East and North

The Retreats East and North Development Project is now two (2) separate projects; Retreats East and Retreats North. We received information that Retreats East is considering parceling out each lot vs. developing the lots. So far, no movement has been made onsite.

Murieta Gardens

The project was inspected for stormwater Best Management Practice (BMP), which are site control items for keeping stormwater discharges clean. The site had them in place prior to the last set up storms. However, due to heavy rainfall, they needed to replace, fix, and add more BMPs.

The Murieta Gardens - Murieta Marketplace

The project continues to proceed with oversight from Coastland Engineering. Recent work includes finishing storm drain installations and preparing to tie-in to the District's sewer stub on the west side of Murieta Drive as well as fixing BMPs as noted above.

The Murieta Gardens – Highway 16 Offsite Improvements

The project cut the top off the CIA ditch diversion structure and reset it lower down per Caltrans requirements for the project. The temporary drainage connection from the Highway 16 drainage is still routed into holes that were cut into the top of the new the CIA ditch pipe. No word yet as to when the permanent drainage piping along Highway 16 will be put in.

The Murieta Gardens II – Subdivision

Staff pulled the Cantova sewer pumps and allowed the project engineer and a pump representative to view them and the system for determining the future needs of the station.

Rancho Murieta North – Development Project

Project plans and a CD were provided to the District for reference of the project. No update as to when the project will proceed.

Director Clark suggested the District look into requiring all project plans to be submitted as CAD files and in a format that can be spatially registered to a Geographic Information System (GIS).

FAA Business Park

Nothing new to report.

The Greens Neighborhood Park

Phase 1 of the project is complete. No word as to if and/or when Phase 2 of the project may proceed. RMA needs to certify the backflow devices on the water services and to repair the keystone block wall along the discharge side of the culvert at the park entrance.

Solar Power Installations

Water Treatment Plant Site

Solar City/TESLA made the site active on November 8, 2017. No future updates will be given as this project is completed.

Emergency Well Project

The Regional Water Authority (RWA) has submitted a request to the Department of Water Resources (DWR) to extend the Prop. 84 grant through 2018. To date, no response has been received back from the DWR.

Wet Drainage Basins

Herbicide vendors came out to view our basins and make recommendations as to what could be done. They took water samples to run tests on and have yet to submit a finalized plan. Each vendor that came out noted that trying to fight nature will be costly, as well as have the potential for additional regulatory needs. So far, it looks like keeping the drainage basins in a natural state as the California Stormwater Quality Association recommends, is the best overall option. However, we will do what we can to meet the aesthetic concerns of the residents.

4. APPROVE PAYMENT OF ADDITIONAL COSTS TO N.J. MCCUTCHEN, INC., FOR BONDING COSTS FOR THE WASTEWATER HYDROPNEUMATIC TANK REPLACEMENT PROJECT

Paul Siebensohn gave a brief summary of the recommendation to approve payment of the additional costs for bonding to N.J. McCutchen, Inc., for the Hydropneumatic Tank Replacement. **This item will be on the December 20, 2017 District Board meeting agenda.**

After a discussion, the Committee requested staff to look into the ability to waive the bonding requirement for certain projects.

5. DIRECTORS & STAFF COMMENTS/SUGGESTIONS

Paul Siebensohn, Director of Field Operations, commented on the Yellow Bridge and the District pipelines that go across it. After research, it was confirmed that the District does not own the Yellow Bridge and is not responsible for its maintenance.

Mark Martin, General Manager, stated that Rancho Murieta Country Club (RMCC) wants the District to assume ownership of Lost Lake.

6. ADJOURNMENT

The meeting was adjourned at 9:04 a.m.

MEMORANDUM

Date: December 5, 2017
To: Board of Directors
From: Finance Committee Staff
Subject: December 5, 2017 Finance Committee Meeting Minutes

1. CALL TO ORDER

Director Pasek called the meeting to order at 9:30 a.m. Present were Directors Pasek and Merchant. Present from District staff were Mark Martin, General Manager; Paul Siebensohn, Director of Field Operations; Eric Thompson, Controller; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. REVIEW 2016-2017 AUDIT

Larry Bain, CPA, gave a brief summary of the 2016-2017 audit reports. They were clean reports. A question and answer period followed.

Director Pasek asked Mr. Bain to look into the District being able to list in the audit the park fees owed from Rancho Murieta Association.

4. RECEIVE OPEB/GASB 45 UPDATE

Eric Thompson, Controller, stated that the OPEB funding is going well and recommended we continue to pay into the fund but that the amount of funding will be looked at during the 2018-2019 budget planning period.

5. DIRECTOR AND STAFF COMMENTS/SUGGESTIONS

No comments.

6. ADJOURNMENT

The meeting was adjourned at 10:27 a.m.

MEMORANDUM

Date: December 12, 2017
 To: Board of Directors
 From: Eric Thompson, Controller
 Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **November 2017**. Please feel free to call me before the Board meeting regarding any questions you may have relating to this report. This information is provided to the Board to assist in answering possible questions regarding large expenditures.

The following major expense items (excluding payroll-related items) are listed *in order as they appear* on the Bills Paid Listing Report:

<u>Vendor</u>	<u>Project / Purpose</u>	<u>Amount</u>	<u>Funding</u>
Commercial Pump & Mechanical, Inc	Repairs & Maint	\$ 8,430.00	Operating Expense
Dave Bunfill Blacktop	Repairs & Maint	\$ 8,800.00	Operating Expense
TNT Industrial Contractors, Inc	Repairs & Maint	\$ 21,535.00	Operating Expense
Useware, Inc.	IT Support	\$ 14,650.00	Operating Expense
Bartkiewicz, Kronick & Shanahan	Legal Services	\$ 12,130.08	Operating Expense
California Special Districts Association	Membership	\$ 6,842.00	Operating Expense
California Waste Recovery Systems	Solid Waste Contract	\$ 47,051.83	Operating Expense
Coastland Civil Engineering	Engineering Services	\$ 30,993.98	Operating Expense, Cap Improvement Reserves, Water Aug Reserves, Developer Deposits
S. M. U. D.	Purchased Power	\$ 17,635.23	Operating Expense
State Water Resources Control Board	Permits	\$ 5,692.00	Operating Expense

PREPARED BY: Eric Thompson, Controller

REVIEWED BY:  District Treasurer

Rancho Murieta Community Services District
Bills Paid Listing for November 2017

Ck Number	Date	Vendor	Amount	Purpose
EFT	11/1/2017	CalPERS	\$11,986.76	Payroll
EFT	11/1/2017	CalPERS	\$43,526.20	Payroll
EFT	11/1/2017	CalPERS	\$9,438.23	Payroll
EFT	11/3/2017	EFTPS	\$10,952.15	Payroll
EFT	11/3/2017	EDD	\$2,931.08	Payroll
EFT	11/3/2017	CalPERS	\$9,772.75	Payroll
CM32796	11/3/2017	A&D Automatic Gate and Access	\$873.35	Repairs & Maintenance
CM32797	11/3/2017	American Family Life Assurance Co.	\$506.60	Payroll
CM32798	11/3/2017	Analytical Technology, Inc	\$2,157.95	Repairs & Maintenance
CM32799	11/3/2017	Applications By Design, Inc.	\$520.00	IT Support
CM32800	11/3/2017	Aramark Uniform & Career Apparel, LLC	\$246.05	Uniform Service - Water
CM32801	11/3/2017	AT&T	\$115.00	Monthly Internet
CM32802	11/3/2017	California State Disbursement Unit	\$52.15	Payroll
CM32803	11/3/2017	Caltronics Business Systems	\$406.22	Equipment
CM32804	11/3/2017	CDW Government Inc.	\$2,000.95	Equipment
CM32805	11/3/2017	Cell Energy Inc.	\$130.64	Repairs & Maintenance
CM32806	11/3/2017	Chrysler Capital	\$156.80	Security Vehicle Lease
CM32807	11/3/2017	Commercial Pump & Mechanical, Inc	\$8,430.00	Repairs & Maintenance
CM32808	11/3/2017	Capital One Commercial	\$739.79	Monthly Supplies
CM32809	11/3/2017	County of Sacramento	\$1,740.00	Backbone Fee FY 2017/18
CM32810	11/3/2017	County of Sacramento	\$74.00	VOID
CM32811	11/3/2017	Dave Bunfill (DBA) Dave Bunfill Blacktop S	\$8,800.00	Repairs & Maintenance
CM32812	11/3/2017	William Duncan	\$200.00	Conservation
CM32813	11/3/2017	Express Office Products, Inc.	\$639.98	Office Supplies
CM32814	11/3/2017	Ferguson Enterprises, Inc 1423	\$193.95	Repairs & Maintenance
CM32815	11/3/2017	Folsom Lake Fleet Services	\$809.26	Vehicle Service #216
CM32816	11/3/2017	Franchise Tax Board	\$50.00	Payroll
CM32817	11/3/2017	Galls/Quartermaster	\$547.64	Uniforms - Security
CM32818	11/3/2017	Guardian Life Insurance	\$4,988.48	Payroll
CM32819	11/3/2017	Hach Company	\$2,232.78	Tools & Supplies
CM32820	11/3/2017	Howe It's Done	\$306.60	Board Meeting
CM32821	11/3/2017	Judy Leezer	\$200.00	Conservation
CM32822	11/3/2017	Legal Shield	\$31.26	Payroll
CM32823	11/3/2017	Nationwide Retirement Solution	\$1,302.00	Payroll
CM32824	11/3/2017	Timothy R. Norton	\$200.00	Conservation
CM32825	11/3/2017	Operating Engineers Local Union No. 3	\$594.55	Payroll
CM32826	11/3/2017	Carmen Ortiz	\$185.19	Utility Account Refund
CM32827	11/3/2017	Kevin Parrish	\$300.00	Conservation
CM32828	11/3/2017	PDF Tactical	\$3,312.00	Contract Staffing - Security
CM32829	11/3/2017	Peopleready	\$918.00	Contract Staffing - Water

Rancho Murieta Community Services District Bills Paid Listing for November 2017

Ck Number	Date	Vendor	Amount	Purpose
CM32830	11/3/2017	Pitney Bowes	\$791.44	Office Supplies
CM32831	11/3/2017	Romo Landscaping	\$385.00	Landscaping
CM32832	11/3/2017	Sacramento Local Agency Formation Commissio	\$1,065.00	Membership
CM32833	11/3/2017	Santander Leasing	\$240.00	Security Vehicle Lease
CM32834	11/3/2017	Sierra Chemical Co.	\$3,919.73	Chemicals
CM32835	11/3/2017	TASC	\$98.07	Payroll
CM32836	11/3/2017	Teichert Aggregates	\$1,346.03	Repairs & Maintenance
CM32837	11/3/2017	TNT Industrial Contractors Inc.	\$21,535.00	Repairs & Maintenance
CM32838	11/3/2017	U.S. Bank Corp. Payment System	\$4,626.09	Monthly Fuel & Supplies
CM32839	11/3/2017	U.S. HealthWorks Medical Group, PC	\$117.00	Preemployment Screening
CM32840	11/3/2017	U.S. Postmaster	\$450.00	Postage
CM32841	11/3/2017	USA Blue Book	\$490.13	Supplies
CM32842	11/3/2017	Ueware, Inc.	\$14,650.00	IT Support
CM32843	11/3/2017	Vision Service Plan (CA)	\$397.71	Payroll
CM32844	11/3/2017	Matthew Wright	\$100.00	Conservation
CM32845	11/3/2017	County of Sacramento	\$74.00	Preemployment Screening
EFT	11/7/2017	EDD	\$9.57	Payroll
EFT	11/8/2017	EFTPS	\$30.82	Payroll
CM32847	11/17/2017	Acme Saw & Supply Inc	\$330.44	Equipment
CM32848	11/17/2017	Duloglo Enterprises Inc DBA Action Cleaning	\$1,172.00	Monthly Cleaning Service
CM32849	11/17/2017	American Family Life Assurance Co.	\$506.60	Payroll
CM32850	11/17/2017	Apple One Employment Services	\$663.60	Contract Staffing - Admin
CM32851	11/17/2017	Aramark Uniform & Career Apparel, LLC	\$297.70	Uniform Service - Water
CM32852	11/17/2017	AT&T	\$842.14	Monthly Cell Phone
CM32853	11/17/2017	Backflow Distributors Inc	\$85.00	Tools
CM32854	11/17/2017	Bartkiewicz, Kronick & Shanahan	\$12,130.08	Legal Services
CM32855	11/17/2017	California Laboratory Services	\$1,970.78	Monthly Lab Tests
CM32856	11/17/2017	California Rural Water Association	\$350.00	Certifications
CM32857	11/17/2017	California Special Districts Association	\$6,842.00	Membership
CM32858	11/17/2017	California State Disbursement Unit	\$52.15	Payroll
CM32859	11/17/2017	California Waste Recovery Systems	\$47,051.83	Solid Waste Monthly Contract
CM32860	11/17/2017	Caltronics Business Systems	\$1,444.41	Copier Maintenance
CM32861	11/17/2017	Cell Energy Inc.	\$136.21	Vehicle Service #521
CM32862	11/17/2017	Chemtrade Chemicals US LLC	\$2,589.19	Chemicals
CM32863	11/17/2017	Cisco Air Systems, Inc	\$526.26	Repairs & Maintenance
CM32864	11/17/2017	Coastland Civil Engineering	\$30,993.98	Engineering Services
CM32865	11/17/2017	County of Sacramento	\$1,926.30	Off Duty Sheriff
CM32866	11/17/2017	Deluxe Business Checks and Solutions	\$267.43	Office Supplies
CM32867	11/17/2017	Eurofins Eaton Analytical, Inc.	\$250.00	Lab Testing
CM32868	11/17/2017	Express Office Products, Inc.	\$1,753.35	Office Supplies

Rancho Murieta Community Services District


Bills Paid Listing for November 2017

Ck Number	Date	Vendor	Amount	Purpose
CM32869	11/17/2017	Ferguson Enterprises, Inc 1423	\$1,033.41	Repairs & Maintenance
CM32870	11/17/2017	Folsom Lake Fleet Services	\$1,033.41	Vehicle Service #812
CM32871	11/17/2017	Franchise Tax Board	\$50.00	Payroll
CM32872	11/17/2017	Gallery & Barton	\$239.20	Legal Services
CM32873	11/17/2017	Galls/Quartermaster	\$193.47	Uniforms - Security
CM32874	11/17/2017	Golden State Flow Measurement	\$195.42	Equipment
CM32875	11/17/2017	Greenfield Communications	\$230.97	Internet/TV
CM32876	11/17/2017	Howe It's Done	\$306.60	Board Meeting
CM32877	11/17/2017	Industrial Door Compay	\$332.00	Repairs & Maintenance
CM32878	11/17/2017	Industrial Electrical Company	\$896.22	Repairs & Maintenance
CM32879	11/17/2017	Marilyn Laver	\$100.00	Conservation
CM32880	11/17/2017	Legal Shield	\$31.26	Payroll
CM32881	11/17/2017	Les Schwab Tires	\$507.82	Equipment
CM32882	11/17/2017	Anne H Long (DBA) Marion Leasing	\$526.90	Copier Lease - Admin
CM32883	11/17/2017	Nationwide Retirement Solution	\$1,142.00	Payroll
CM32884	11/17/2017	Operating Engineers Local Union No. 3	\$620.40	Payroll
CM32885	11/17/2017	Rancho Murieta Ace Hardware	\$136.82	Monthly Supplies
CM32886	11/17/2017	Rancho Murieta Association	\$150.00	Landscaping
CM32887	11/17/2017	Rancho Murieta Association	\$376.29	Purchased Power
CM32888	11/17/2017	S. M. U. D.	\$17,635.23	Purchased Power
CM32889	11/17/2017	Safety Center, Inc.	\$180.00	Training/Safety
CM32890	11/17/2017	Sprint	\$189.95	Monthly Air Cards
CM32891	11/17/2017	State of California	\$130.00	VOID
CM32892	11/17/2017	State Water Resources Control Board	\$5,692.00	VOID
CM32893	11/17/2017	Streamline	\$300.00	Website Hosting
CM32894	11/17/2017	Sutter EAP	\$324.00	Payroll
CM32895	11/17/2017	TASC	\$67.75	Payroll
CM32896	11/17/2017	TASC	\$98.07	Payroll
CM32897	11/17/2017	TPX Communications	\$696.17	Monthly Phone
CM32898	11/17/2017	U.S. HealthWorks Medical Group, PC	\$172.00	Preemployment Screening
CM32899	11/17/2017	UPS	\$123.32	Postage
CM32900	11/17/2017	USA Blue Book	\$768.92	Repairs & Maintenance
CM32901	11/17/2017	Watchdogs Surveillance	\$430.15	Equipment
CM32902	11/17/2017	WaterISAC	\$499.00	Membership
CM32903	11/17/2017	Western Exterminator Co.	\$598.50	Monthly Service
CM32904	11/17/2017	Thomas Leeper	\$200.00	Conservation
CM32905	11/17/2017	Timothy Quincy	\$294.33	Conservation
CM32906	11/17/2017	State of California	\$130.00	Preemployment Screening
CM32907	11/17/2017	State Water Resources Control Board	\$5,692.00	Permits
EFT	11/17/2017	EFTPS	\$10,062.78	Payroll

**Rancho Murieta Community Services District
Bills Paid Listing for November 2017**

Ck Number	Date	Vendor	Amount	Purpose
EFT	11/17/2017	EDD	\$2,689.87	Payroll
EFT	11/17/2017	CalPERS	\$10,034.99	Payroll
EFT	11/28/2017	Pitney Bowes	\$1,500.00	Postage
		TOTAL	\$355,790.62	
		<u>CFD 2014-1 Bank of America Checking</u>		
CM2054	11/17/2017	Corelogic Solutions, LLC	\$200.00	CFD 2014-1 Admin cost
		TOTAL	\$200.00	
		<u>EL DORADO PAYROLL</u>		
Checks: CM11715 to CM11728 and Direct Deposits: DD10052 to DD10113			\$ 118,746.06	Payroll
EFT	Various	National Payment Corp	\$126.98	Payroll
		TOTAL	\$118,873.04	

PREPARED BY: Eric Thompson, Controller

REVIEWED BY:  _____, District Treasurer

MEMORANDUM

Date: December 14, 2017
To: Board of Directors
From: Mark Martin, General Manager
Subject: General Manager's Report

EMPLOYEE RELATIONS

The annual employee appreciation/holiday luncheon was held December 14, 2017 at Rancho Murieta Country Club (RMCC). Negotiations with Operating Engineers Local 3 (OE3) have begun. On December 13, 2017, a representative from Legal Shield was available to staff to review for-fee legal service options available.

IT/FINANCE

Larry Bain, CPA, our auditor, will be at the December Board meeting to present the 2016-2017 Audit and answer any questions the Board may have.

The IT Written Information Security Plan (WISP) update is still under way. One of the key purposes of the WISP is to establish document recovery and business continuation protocols.

SECURITY DEPARTMENT

The recruitment for a new Security Chief was re-opened November 28, with a closing date of December 22, 2017.

Burns & McConnell Engineering Company, Inc. submitted its response to comments December 4, 2017 and staff is reviewing the comments and revised study. Staff expects to bring the study forward to the Security Committee in the January/February timeframe. The goal is for the new Security Chief to be able to review and understand the report before the final version is advanced.

The South Gate's new camera and license plate reading system, installed the week of November 6, 2017, is up and running.

LAGUNA JOAQUIN

Meetings with Rancho Murieta Association (RMA) continue. We are researching potential benefits of a bio-swale as a pre-treatment before runoff into Laguna Joaquin. Staff is researching the efficacy of such an approach and if found to be so, determine an approximate cost of such an improvement from an installation and maintenance aspect. Discussions have also focused on chemical and herbicidal treatments of other basins/lakes. The continued plan is to assess treatment technologies applicable to the unique circumstances of District basins.

GREENS PARK RIBBON CUTTING

Staff attended the Greens Park Ribbon Cutting Ceremony on November 21, 2017, along with Directors Mark Pecotich and Morrison Graf.

PUBLIC OUTREACH

Presented to the Murieta Village on November 13, 2017 and provided an overview of the potential golf club and open space acquisition by the District. Comments received about concerns of regularity of Security patrol visits to the Village, role of Security Patrol Officers during emergency calls, and if checks on resident welfare remain part of security service.

PENDING AND PROPOSED LAND DEVELOPMENT PROJECTS

Rancho Murieta North – Development Project

Nothing new to report.

PASSIVE REC USE (JOINT USE) OF THE MURIETA GARDENS DRAINAGE BASIN

There has been no change. The District has discussed with John Sullivan our desire to have a bullet point Memorandum of Understanding (MOU) for maintenance responsibilities as an initial step to define roles and financial obligations. The MOU should be forth coming, but no approvals until the Board has reviewed and approved the MOU.

MURIETA GARDENS

Work by the developer to open the Murieta Inn and Spa continues with actions to accomplish certificate of occupancy underway. District staff is actively working with the developer and contractor to help them achieve final sign-off by accomplishing punch list items and confirming payment of final fees owed. Grading and other work for the commercial area were to be wrapped-up for the wet season, however, given dry conditions, some work may continue.

MEMORANDUM

Date: December 13, 2017
 To: Board of Directors
 From: Eric Thompson, Controller
 Subject: Administration / Financial Reports

Enclosed is a combined financial summary report for **November 2017**. Following are highlights from various internal financial reports. Please feel free to call me before the Board meeting regarding any questions you may have relating to these reports.

This information is provided to the Board to assist in answering possible questions regarding under or over-budget items. In addition, other items of interest are included.

Water Consumption – Year-to-date residential water usage was up 11.5% versus budget through November. Listed below are year-to-date water consumption numbers using weighted averages:

	12 month rolling % increase	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residences	0.3%	2,539	2,539	2,539	2,539	2,539							
	Weighted average	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	2,819	2,920	2,844	2,695	2,642	2,352							
Gallons per day	703	728	709	672	659	586							
Planning Usage GPD	612												

Lock-Offs – During the month of November, there were 20 lock-offs.

Connection Fees – There were no new connection fees received in November.

Aging Report – Delinquent accounts totaled \$134,165 which was 21.2% of the total accounts receivable balance of \$633,391. Past due receivables increased \$15,052 or 12.6% from the prior month. This increase was primarily related to undeveloped property and not residential or commercial connections.

Summary of Reserve Accounts as of November 30, 2017 – The District’s reserve accounts began the year with a balance of \$5,344,437 and have increased \$242,310 year-to-date. There were no reserve transactions during the month other than monthly reserve contributions and normal inter-fund borrowing repayments. The total amount of reserves held by the District on November 30, 2017 was \$5,586,747. See the table on the following page for information by specific reserve account.

Reserve Fund Balances

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2017</i>	<i>YTD Collected & Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Nov 30, 2017</i>
Water Capital Replacement (200-2505)	1,130,169	91,367	(8,864)	1,212,673
Sewer Capital Replacement (250-2505)	2,478,211	169,394	(55,711)	2,591,894
Drainage Capital Replacement (260-2505)	81,850	13,586	(6,198)	89,238
Security Capital Replacement (500-2505)	160,345	19,888	(41,005)	139,228
Admin Capital Replacement (xxx-2505-99)	57,174	44,186	(14,366)	86,994
Sewer Capital Improvement Connection (250-2500)	4,067	20	(0)	4,087
Capital Improvement (xxx-2510)	366,117	16,597	(893)	381,821
Water Supply Augmentation (200-2511)	1,703,006	38,020	(17,247)	1,723,779
WTP Construction Fund Reserve (200-2513)	(671,793)	77,991	(88,243)	(682,045)
Security Impact Fee Reserves (500-2513)	35,291	3,787	(0)	39,078
Total Reserves	5,344,437	474,836	(232,526)	5,586,747

Inter-fund Borrowing Balances

<i>Inter-fund Borrowing</i>	<i>Fiscal Yr Beg Balance July 1, 2016</i>	<i>YTD Interest</i>	<i>YTD Repayment</i>	<i>Period End Balance Nov 30, 2017</i>
Sewer Loan to WTP Construction Fund	1,137,179	5,159	(63,652)	1,078,686
WSA Loan to WTP Construction Fund	379,060	1,720	(21,217)	359,563
N. Gate Security Loan from Drainage Fund	63,203	275	(9,790)	53,688
Total Inter-fund Borrowing	1,579,442	7,154	(94,659)	1,491,937

Financial Items of Note

M&R Litigation – year-to-date, the District has incurred and paid \$4,610 in legal fees related to the M&R litigation. Total fees paid pursuant to this lawsuit (excluding staff time) are \$67,097.

County Club & Open Space – the District incurred \$10,315 in legal fees and labor costs related to the proposed country club and open space purchase during the month of November. Since early October of this year, \$34,374 (including staff time) has been spent on this project.

Financial Summary Report (year-to-date through November 30, 2017)

Revenues:

Water Charges, year-to-date, are **above** budget \$51,678 or 5.3%

Sewer Charges, year-to-date, are **below** budget \$5,219 or (1.0%)

Drainage Charges, year-to-date, are **below** budget \$868 or (1.1%)

Security Charges, year-to-date, are **below** budget \$4,121 or (0.7%)

Solid Waste Charges, year-to-date, are **above budget \$2,187 or 0.8%**

Total Revenue, which includes other income, property taxes, and interest income is **above budget \$128,627 or 4.8%**. The large increase from the prior period is related to the recognized receivable from the CIA Ditch.

Expenses: Year-to-date total operating expenses are **above budget \$81,096 or 3.4%**. There have been no operational reserve expenditures so far this year. Operational reserve expenditures cover projects funded from reserves which are also recorded as operational expenses through the income statement as required by Generally Accepted Accounting Principles (GAAP).

Water Expenses (*including wages & employer costs*) year-to-date, are **above budget \$72,490 or 10.5%**. Permit expenses are the Water Department's largest over budget line item so far this year. While permitting fees did increase year-over-year, the majority of the overage is due to timing issues between budgeted and actual amounts. Other line item overages include repairs & maintenance, CIA Ditch repairs, purchased power, and chemicals (which should normalize as the year progresses).

Sewer Expenses, year-to-date, are **below budget by \$34,202 or (7.7%)**. Repairs & maintenance continues to be the Sewer Department's largest over budget expense item. During the month of November, expenses were incurred to replace a valve and actuator at the District's waste water treatment plant. Prior large dollar repair & maintenance expenses included pond sludge removal, WWTP repairs, and generator repairs. Sewer expenses went from being over budget in October to under budget in November because of timing issues with the permit expense line item. This will normalize as the year progresses.

Drainage Expenses, year-to-date, are **above budget by \$17,909 or 28.6%**. With only \$63K in expenditures budgeted year-to-date, overages in salaries & wages (\$11,449), employer costs (\$4,823), chemicals (\$6,750), and equipment rental (\$1,953) create a disproportionately large percentage overage in expenses. These numbers have started to normalize (as expenses fall more in line and additional budget is added) and the department's expenses went from being 49.2% over through September to 37.7% through October and now to 28.6% through November.

Combined Water/Sewer/Drainage Wages & Employer Costs, year-to-date, are **below budget by \$20,976 or (7.2%)**. These savings are offset by \$29,664 in contract staffing, which is used to help reduce the operational effects of position vacancies. Utility personnel at the District allocate their time between the Water, Sewer, and Drainage Departments as needed and as directed. This section is being reported to help gauge overall utility personnel expenses versus budget.

Security Expenses, year-to-date, are **below budget by \$31,007 or (6.5%)**. Security Gate expenses are **above budget by \$1,042 or 0.5%** so far this year, with savings in wages and employer costs (due to vacancies) being partially offset by contract personnel costs. Security Patrol expenses are **below budget by \$9,824 or (5.0%)**, with savings across most expense categories, the largest being salaries & wages and employer costs. General Security expenses are **below budget by \$22,225 for the year**, due primarily to the vacancy in the (permanent) Chief position.

Solid Waste Expenses, year-to-date, are **above budget by \$1,175 or 0.5%**. Solid waste revenues and expenses are driven by service requests from the community and are both slightly over budget through November.

General Expenses, year-to-date, are **above budget by \$54,730 or 11.1%**. \$14,500 of this variance is due to a budget timing issue with the FY 2016-2017 audit and will correct itself in December. Legal expenses, GM recruitment, salaries & wages, and consulting expenses are the biggest contributors to the overage in general expenses.

Net Income: Year-to-date unadjusted net income, before depreciation, is \$328,292 versus a budget of \$280,761. Net income/(Loss) adjusted for estimated depreciation expense is (\$259,959). The full-year expected net operating income (loss) before depreciation, per the 2017-2018 budget is (\$181). Including inter-fund borrowing interest expenses the net operating loss is (\$8,873), as shown on the financial statements.

Rancho Murieta Community Services District

Summary Budget Performance Report For the Month Ending November 30, 2017

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount	%
REVENUES								
Water Charges	32.5%	\$1,982,280	36.5%	\$984,109	\$1,035,787	36.7%	\$51,678	5.3%
Sewer Charges	21.6%	1,317,230	20.3%	548,070	542,851	19.2%	(5,219)	(1.0%)
Drainage Charges	3.2%	197,610	3.1%	82,335	81,467	2.9%	(868)	(1.1%)
Security Charges	21.6%	1,321,377	20.4%	550,569	546,448	19.3%	(4,121)	(0.7%)
Solid Waste Charges	10.6%	646,796	10.0%	269,495	271,682	9.6%	2,187	0.8%
Other Income	1.8%	110,430	1.6%	43,365	129,507	4.6%	86,142	198.6%
Interest Earnings	0.1%	8,370	0.1%	2,970	1,797	0.1%	(1,173)	(39.5%)
Property Taxes	9.3%	565,100	8.7%	235,458	235,458	8.3%	0	0.0%
Property Tax (Reserve Alloc)	-0.7%	(45,680)	-0.7%	(19,033)	(19,033)	-0.7%	(0)	0.0%
Total Revenues	100.0%	6,103,514	100.0%	2,697,338	2,825,964	100.0%	128,627	4.8%
OPERATING EXPENSES								
Water/Sewer/Drainage								
Salaries & Wages	15.6%	951,320	14.1%	341,100	317,745	12.7%	(23,355)	(6.8%)
Employer Costs	7.6%	466,890	7.6%	182,800	174,534	7.0%	(8,266)	(4.5%)
Capital Project Labor Alloc	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Power	5.5%	333,950	5.2%	125,585	145,189	5.8%	19,604	15.6%
Chemicals	2.8%	169,540	2.9%	71,145	89,522	3.6%	18,377	25.8%
Maintenance/Repairs	5.6%	340,500	5.1%	124,450	169,480	6.8%	45,030	36.2%
Water Meters/Boxes	0.9%	54,000	0.8%	20,000	1,410	0.1%	(18,590)	(92.9%)
Lab Tests	0.7%	44,200	0.6%	15,250	13,936	0.6%	(1,314)	(8.6%)
Permits	1.2%	73,640	2.1%	51,325	77,329	3.1%	26,004	50.7%
Training/Safety	0.3%	19,300	0.3%	6,675	10,657	0.4%	3,982	59.7%
Equipment Rental	0.6%	35,930	0.5%	12,000	8,070	0.3%	(3,931)	(32.8%)
Other Direct Costs	8.5%	519,810	10.2%	247,074	245,729	9.8%	(1,344)	(0.5%)
Subtotal Water/Sewer/Drainage	49.3%	3,009,080	49.5%	1,197,404	1,253,601	50.2%	56,198	4.7%
Security								
Salaries & Wages	10.8%	659,800	9.9%	239,600	206,117	8.3%	(33,483)	(14.0%)
Employer Costs	7.7%	470,700	7.7%	185,500	155,883	6.2%	(29,617)	(16.0%)
Off Duty Sheriff	0.1%	4,000	0.1%	2,700	6,895	0.3%	4,195	155.4%
Other	1.8%	107,954	2.0%	47,957	75,854	3.0%	27,897	58.2%
Subtotal Security	20.4%	1,242,454	19.7%	475,757	444,750	17.8%	(31,007)	(6.5%)
Solid Waste								
CWRS Contract	9.2%	561,100	9.7%	233,790	235,099	9.4%	1,309	0.6%
Sacramento County Admin Fee	0.6%	35,500	0.6%	14,790	14,656	0.6%	(134)	(0.9%)
HHW Event	0.2%	14,730	0.0%	0	0	0.0%	0	0.0%
Subtotal Solid Waste	10.0%	611,330	10.3%	248,580	249,755	10.0%	1,175	0.5%
General / Admin								
Salaries & Wages	8.7%	531,300	8.2%	197,600	206,829	8.3%	9,229	4.7%
Employer Costs	4.9%	297,200	4.9%	118,700	104,552	4.2%	(14,148)	(11.9%)
Capital Project Labor Alloc	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Insurance	1.6%	95,296	1.6%	39,707	38,051	1.5%	(1,655)	(4.2%)
Legal	1.0%	60,000	1.0%	25,000	42,780	1.7%	17,780	71.1%
Office Supplies	0.3%	21,300	0.3%	7,800	7,950	0.3%	150	1.9%
Director Meeting Payments	0.3%	18,000	0.3%	7,500	4,000	0.2%	(3,500)	(46.7%)
Telephones	0.1%	4,780	0.1%	2,102	3,018	0.1%	916	43.6%
IT Systems Maintenance	1.4%	88,096	2.2%	53,237	46,808	1.9%	(6,429)	(12.1%)
Community Communications	0.1%	4,550	0.0%	900	480	0.0%	(420)	(46.7%)
Postage	0.3%	20,400	0.3%	8,000	8,053	0.3%	53	0.7%
Bld/Grounds Maint/Pest Cntr	0.3%	17,400	0.3%	6,405	9,224	0.4%	2,819	44.0%
Other	1.5%	91,200	1.2%	27,885	77,820	3.1%	49,935	179.1%
Subtotal General / Admin	20.5%	1,249,522	20.5%	494,836	549,566	22.0%	54,730	11.1%
Total Operating Expenses	100.1%	6,112,387	100.0%	2,416,577	2,497,672	100.0%	81,096	3.4%
Operating Income (Loss)	100.0%	(8,873)	100.0%	280,761	328,292	100.0%	47,531	16.9%

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount	%
Non-Operating Expenses								
Water Reserve Expenditure	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Sewer Reserve Expenditure	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Drainage Reserve Expenditure	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total Non-Operating Expenses	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Net Income (Loss)	100.0%	(8,873)	100.0%	280,761	328,292	100.0%	47,531	16.9%

Rancho Murieta Community Services District

Budget Performance Report by FUND For the Month Ending November 30, 2017

	% of Total Rev	Annual Budget	% of Total Rev	YTD Budget	YTD Actuals	% of Total Rev	YTD VARIANCE Amount	%
WATER								
REVENUES								
Water Charges	98.4%	\$1,982,280	98.8%	\$984,109	\$1,035,787	92.2%	\$51,678	5.3%
Interest Earnings	0.2%	3,900	0.1%	1,300	1,036	0.1%	(264)	(20.3%)
Other Income	1.4%	28,770	1.1%	10,775	86,795	7.7%	76,020	705.5%
Total Water Revenues	100.0%	2,014,950	100.0%	996,184	1,123,619	100.0%	127,435	12.8%
EXPENSES (excluding depreciation)								
Salaries & Wages	26.4%	532,740	19.2%	191,016	175,918	15.7%	(15,098)	(7.9%)
Employer Costs	13.0%	261,740	10.3%	102,368	96,604	8.6%	(5,764)	(5.6%)
Capital Project Labor Alloc	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Power	10.2%	204,970	6.9%	68,925	82,202	7.3%	13,277	19.3%
Chemicals	4.6%	93,000	4.0%	39,405	52,816	4.7%	13,411	34.0%
Chemicals - T&O	0.5%	9,500	0.5%	4,740	3,701	0.3%	(1,039)	(21.9%)
Maintenance/Repairs	7.0%	142,000	5.7%	56,450	82,165	7.3%	25,715	45.6%
Water Meters/Boxes	2.7%	54,000	2.0%	20,000	1,410	0.1%	(18,590)	(92.9%)
Lab Tests	1.4%	28,000	0.9%	8,500	6,569	0.6%	(1,931)	(22.7%)
Permits	1.6%	32,000	1.3%	12,500	53,119	4.7%	40,619	325.0%
Training/Safety	0.5%	9,300	0.3%	3,200	4,917	0.4%	1,717	53.7%
Equipment Rental	1.0%	21,000	0.7%	6,500	3,640	0.3%	(2,860)	(44.0%)
Other Direct Costs	17.3%	348,880	17.8%	177,381	200,414	17.8%	23,034	13.0%
Operational Expenses	86.2%	1,737,130	69.4%	690,985	763,475	67.9%	72,490	10.5%
Water Income (Loss)	13.8%	277,820	30.6%	305,199	360,144	32.1%	54,945	18.0%
38.9% Net Admin Alloc	14.2%	286,212	11.0%	109,563	130,416	11.6%	20,853	19.0%
Reserve Expenditures	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total Net Income (Loss)	-0.4%	(8,392)	19.6%	195,637	229,728	20.4%	34,092	17.4%
SEWER								
REVENUES								
Sewer Charges	98.4%	1,317,230	98.5%	548,070	542,851	98.1%	(5,219)	(1.0%)
Interest Earnings	0.2%	2,920	0.2%	920	111	0.0%	(809)	(87.9%)
Other Income	1.4%	18,500	1.3%	7,160	10,142	1.8%	2,982	41.7%
Total Sewer Revenues	100.0%	1,338,650	100.0%	556,150	553,104	100.0%	(3,045)	(0.5%)
EXPENSES (excluding depreciation)								
Salaries & Wages	26.3%	351,990	22.7%	126,207	106,500	19.3%	(19,707)	(15.6%)
Employer Costs	12.9%	172,510	12.2%	67,636	60,311	10.9%	(7,325)	(10.8%)
Power	8.9%	118,600	9.6%	53,300	60,224	10.9%	6,924	13.0%
Chemicals	4.2%	56,040	4.2%	23,500	22,755	4.1%	(745)	(3.2%)
Maintenance/Repairs	13.9%	186,500	11.3%	63,000	84,365	15.3%	21,365	33.9%
Lab Tests	1.2%	16,200	1.2%	6,750	7,368	1.3%	618	9.2%
Permits	2.6%	35,140	5.8%	32,325	18,518	3.3%	(13,807)	(42.7%)
Training/Safety	0.7%	10,000	0.6%	3,475	5,740	1.0%	2,265	65.2%
Equipment Rental	0.8%	10,200	0.8%	4,500	1,477	0.3%	(3,023)	(67.2%)
Other Direct Costs	12.2%	162,950	11.4%	63,193	42,426	7.7%	(20,767)	(32.9%)
Operational Expenses	83.7%	1,120,130	79.8%	443,886	409,684	74.1%	(34,202)	(7.7%)
Sewer Income (Loss)	16.3%	218,520	20.2%	112,264	143,420	25.9%	31,156	27.8%
29.7% Net Admin Alloc	16.3%	218,521	15.0%	83,651	99,572	18.0%	15,921	19.0%
Reserve Expenditures	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total Net Income (Loss)	0.0%	(1)	5.1%	28,613	43,848	7.9%	15,235	53.2%
DRAINAGE								
REVENUES								
Drainage Charges	100.0%	197,610	100.0%	82,335	81,467	100.0%	(868)	(1.1%)
Interest Earnings	0.0%	50	0.0%	25	16	0.0%	(9)	(35.5%)
Total Drainage Revenues	100.0%	197,660	100.0%	82,360	81,484	100.0%	(876)	(1.1%)

	% of Total Rev	Annual Budget	% of Total Rev	YTD Budget	YTD Actuals	% of Total Rev	YTD VARIANCE Amount	%
EXPENSES (excluding depreciation)								
Salaries & Wages	33.7%	66,590	29.0%	23,877	35,326	43.4%	11,449	48.0%
Employer Costs	16.5%	32,640	15.5%	12,796	17,619	21.6%	4,823	37.7%
Power	5.3%	10,380	4.1%	3,360	2,763	3.4%	(597)	(17.8%)
Chemicals	5.6%	11,000	4.2%	3,500	10,250	12.6%	6,750	192.9%
Maintenance/Repairs	6.1%	12,000	6.1%	5,000	2,950	3.6%	(2,050)	(41.0%)
Permits	3.3%	6,500	7.9%	6,500	5,692	7.0%	(808)	(12.4%)
Equipment Rental	2.4%	4,730	1.2%	1,000	2,953	3.6%	1,953	195.3%
Other Direct Costs	4.0%	7,980	7.9%	6,500	2,889	3.5%	(3,611)	(55.6%)
Operational Expenses	76.8%	151,820	75.9%	62,533	80,442	98.7%	17,909	28.6%
Drainage Income (Loss)	23.2%	45,840	24.1%	19,827	1,041	1.3%	(18,786)	(94.7%)
6.1% Net Admin Alloc	22.7%	44,882	20.9%	17,181	20,451	25.1%	3,270	19.0%
Reserve Expenditures	0.0%	0	0.0%	0	0	0.0%	0	0.0%
Total Net Income (Loss)	0.5%	958	3.2%	2,646	(19,410)	-23.8%	(22,056)	(833.5%)
SECURITY REVENUES								
Security Charges	95.0%	1,321,377	95.0%	550,569	546,448	94.0%	(4,121)	(0.7%)
Interest Earnings	0.0%	600	0.1%	300	126	0.0%	(174)	(57.9%)
Property Tax	4.7%	65,040	4.7%	27,100	27,100	4.7%	0	0.0%
Property Tax (Reserve Alloc)	-3.3%	(45,680)	-3.3%	(19,033)	(19,033)	-3.3%	(0)	0.0%
Other Income	3.6%	49,760	3.6%	20,730	26,723	4.6%	5,993	28.9%
Total Security Revenues	100.0%	1,391,097	100.0%	579,666	581,363	100.0%	1,698	0.3%
EXPENSES (excluding depreciation)								
Salaries & Wages	47.4%	659,800	41.3%	239,600	206,117	35.5%	(33,483)	(14.0%)
Employer Costs	33.8%	470,700	32.0%	185,500	155,883	26.8%	(29,617)	(16.0%)
Equipment Repairs	0.4%	4,900	0.3%	1,835	3,129	0.5%	1,294	70.5%
Vehicle Maintenance	0.4%	6,000	0.4%	2,500	3,401	0.6%	901	36.1%
Vehicle Fuel	1.0%	14,000	1.0%	5,833	6,073	1.0%	240	4.1%
Off Duty Sheriff	0.3%	4,000	0.5%	2,700	6,895	1.2%	4,195	155.4%
Other	6.0%	83,054	6.5%	37,789	63,251	10.9%	25,462	67.4%
Operational Expenses	89.3%	1,242,454	82.1%	475,757	444,750	76.5%	(31,007)	(6.5%)
Security Income (Loss)	10.7%	148,643	17.9%	103,909	136,614	23.5%	32,705	31.5%
20.3% Net Admin Alloc	10.7%	149,360	9.9%	57,175	68,058	11.7%	10,882	19.0%
Total Net Income (Loss)	-0.1%	(716)	8.1%	46,733	68,556	11.8%	21,823	46.7%
SOLID WASTE REVENUES								
Solid Waste Charges	99.9%	646,796	99.9%	269,495	271,682	99.9%	2,187	0.8%
Interest Earnings	0.1%	600	0.1%	300	405	0.1%	105	35.1%
Total Solid Waste Revenues	100.0%	647,396	100.0%	269,795	272,087	100.0%	2,292	0.8%
EXPENSES (excluding depreciation)								
CWRS Contract	86.7%	561,100	86.7%	233,790	235,099	86.4%	1,309	0.6%
Sacramento County Admin Fee	5.5%	35,500	5.5%	14,790	14,656	5.4%	(134)	(0.9%)
HHW Event	2.3%	14,730	0.0%	0	0	0.0%	0	0.0%
Operational Expenses	94.4%	611,330	92.1%	248,580	249,755	91.8%	1,175	0.5%
Solid Waste Income (Loss)	5.6%	36,066	7.9%	21,215	22,332	8.2%	1,117	5.3%
5.0% Net Admin Alloc	5.7%	36,788	5.2%	14,083	16,763	6.2%	2,680	19.0%
Total Net Income (Loss)	-0.1%	(722)	2.6%	7,132	5,569	2.0%	(1,563)	(21.9%)
OVERALL NET INCOME(LOSS)	-0.2%	(8,873)	11.3%	280,761	328,292	12.6%	47,531	16.9%

MEMORANDUM

Date: November 30, 2017
To: Security Committee
From: Sergeant Jeffery Werblun, Acting Security Chief
Subject: Security Report for November 2017

OPERATIONS UPDATES

Currently we have one (1) Security Gate Officer position and one (1) Security Chief position open. Recruitment is ongoing. Several applications have been received. We recently hired a new a Patrol Officer.

The new portable radios arrived, but we are still waiting for the District's P25 standard license to be activated by S.R.R.C. before we can have the radios programmed and in service. Hopefully, this happens soon.

Rancho Murieta Association (RMA) Compliance purchased two (2) new Lidar Speed "guns", which have video print out capabilities. We are awaiting delivery of the guns to RMA and then training will begin.

We also recently added the capability for crime incident mapping using Lexis Nexus data base tool. The program is linked to the Sacramento County Sheriff's Department (SSD) and maps crimes that have been reported and/or investigated by SSD. A link to this mapping database is now active on the District's web site.

The Board approved the new camera system for the South Gate. Work at the South Gate has begun and the project is moving forward.

INCIDENTS OF NOTE

November 12 - Suicidal subject armed with a shot gun. Patrol received a call from SSD stating they were enroute to an address on the South in regards to a suicidal subject armed with a shot gun. A vehicle description was given. Patrol was advised just to be on the lookout incase the vehicle was spotted for safety reasons. SSD determined the subject had left Rancho Murieta possibly driving to Amador County. The final outcome of this incident is unknown.

November 12 - Hit and Run to the Lago Drive inbound gate arm. A vehicle drove through the gate arm knocking it off and damaging it. The vehicle did not stop. By using the camera system, Officers were able to identify the vehicle which belonged to a resident. The gate was temporarily put back into service, but needs repair. Follow up investigation was conducted. The driver of the vehicle was located and interviewed. She admitted to hitting the gate with her mother's car. She blamed her error on not being familiar with the car, having a dog on her lap, and inattention. The Mother was out of town at the time and was notified by the daughter.

November 20 - Gate arm incident involving a resident vehicle that piggybacked through the gate at the North Gate. The gate arm came down and struck the windshield and shattered the windshield. Video review and our

investigation shows the driver was at fault. The driver put in a damage claim to the District to repair his 1952 coupe. Claim was forwarded to our insurance carrier for disposition.

November 21 - Riverview cart path. 14 year old driving a golf cart was involved in a traffic accident. The driver rolled the cart over trapping herself in the cart. The passenger was able to get out. Sacramento Metro Fire Department (SMFD) responded and transported the driver to the hospital. The passenger was not injured. California Highway Patrol (CHP) responded and handled the accident investigation. The driver was cited for RMA violation-unlicensed driver. The driver's father responded to the scene and took position of the golf cart. Four (4) fence posts along the cart path were damaged in the accident. RMA was notified of the damage.

November 22 - Report of a suicidal subject in a vehicle that also had children in the vehicle with him. Patrol received a "be on the lookout" from SSD that was enroute to look for this vehicle. Patrol saw the vehicle parked near the Chinese restaurant at Murieta Plaza. SSD was notified and located the vehicle. SSD handled. Unknown disposition.

RANCHO MURIETA ASSOCIATION COMPLIANCE MEETING

The meeting was November 6, 2017. Several violation appeals were brought to the committee for review. There was nothing of note to report. General Manager Martin and I attended.

CONTRACT SECURITY

We are still considering the private security firm, First Security, to provide man power "emergency" coverage at the Gate Houses. The training costs and hourly rate of compensation are still to be negotiated.

SECURITY ASSESSMENT REPORT

We received the revised report the afternoon of December 4, 2017. Staff is currently reviewing the report.



RMA Rule Violations / Citations November 2017

Driveway Parking	33
Park Hours	4
Stop Sign	17
Speeding	6
Unlicensed Driver	2
Overnight Street Parking	6
<hr/>	
Total	68

Note: A *complaint* of a violation does NOT necessarily mean a violation occurred. The complaint may have been unfounded, officers were unable to locate the complaint, or the complaint was not actually a RMA Rule violation.



**Rancho Murieta Association
Rule Violations/Admonishments/Complaints
November 2017**

Gate Entrance Refusals	54
Parking	4
Unsafe Driving	0
Open Garage Door	2
Park Hours	2
Speeding	4
Loose/Off Leash Dogs	20
Barking Dogs	11
Unlicensed Driver	0
Stop Sign	1
<hr/>	
Total	98

MEMORANDUM

Date: December 11, 2017
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Water/Wastewater/Drainage Report

The following is information and projects staff has worked on since the last Board meeting.

WATER

Water Treatment Plant (WTP) #1 is set to run at 1.44 million gallons per day (mgd) averaging a production volume of 0.66 mgd. Plant #2 is off until needed. Total water production for November was 25,057,800 gallons.

WATER PLANT MAINTENANCE

Water Treatment Plant #1

The hydrochloric acid lines for water treatment plant #1 (WTP #1) membrane system are all now replaced and the Raw Water Screening System "A" is repaired and functioning correctly.

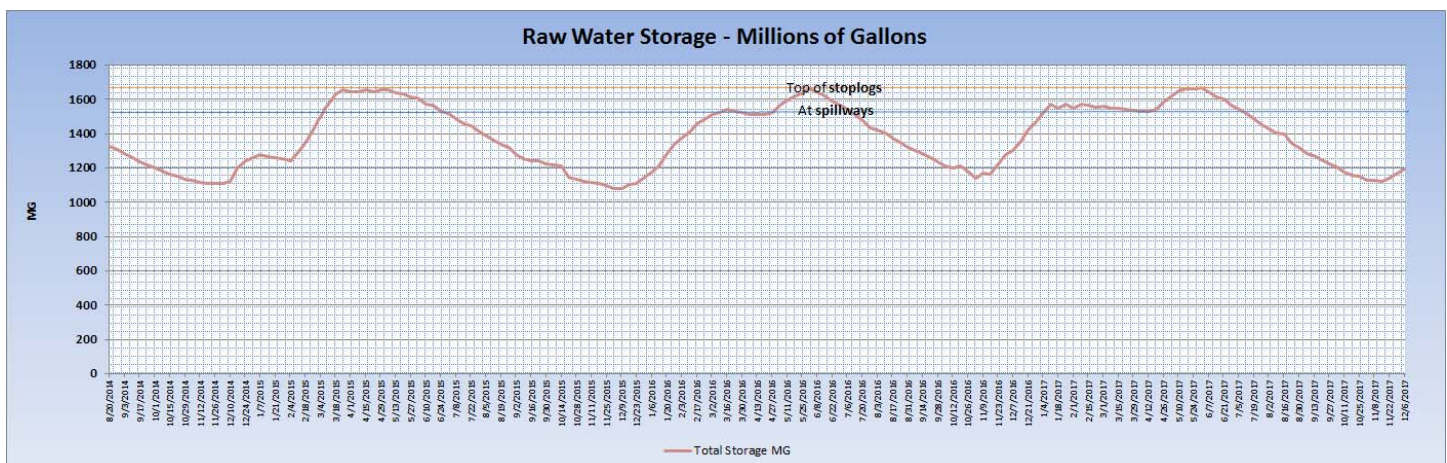
Water Treatment Plant #2 Sedimentation Basin Project

Staff is waiting on contractor availability to complete the project now that all of the necessary parts are in.

WATER SOURCE OF SUPPLY

On December 6, 2017, all raw water storage for Calero, Chesbro, and Clementia Reservoirs measured approximately 1,193 MG (3,662 AF), of which 1,029.4 MG (3,159 AF) is usable due to dead storage. For Calero and Chesbro Reservoirs alone, storage measured 906.8 MG (2,783 AF), or 857.4 MG (2,330 AF) usable. In November there was 4.21" of rainfall and evaporation was 1.05". With rainfall and river flows meeting our conditions for diverting water from the river, so far this season we have pumped 72.1 MG (221.2 AF) to storage.

Below is a graphical representation of the water storage reservoir levels this year to date.

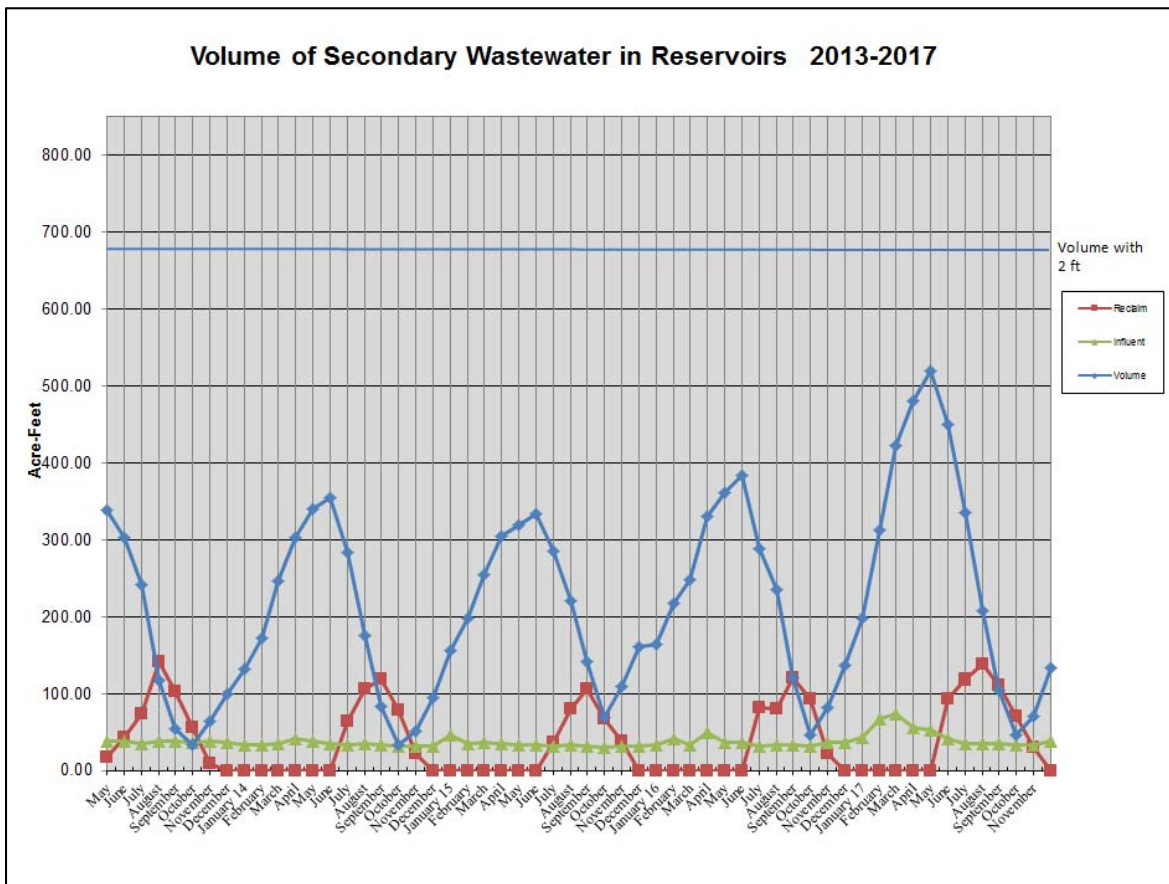


I discussed proposing the posting of Department of Fish and Wildlife (DFW) signage at the boat ramp areas in regards to protection of water supplies from invasive species. Rancho Murieta Association (RMA) said this will need to go forward to their Architectural Review Committee prior to proceeding.

WASTEWATER COLLECTION, TREATMENT, AND RECLAMATION

Influent wastewater flow averaged 0.416 million gallons a day, for a total of 12.48 MG, (38.1 AF). This is approximately 140 gpd per sewer connection. The secondary wastewater storage measured 43.7 MG (134.4 AF) as measured on December 6, 2017. No recycled water was supplied to Rancho Murieta Country Club (RMCC) as RMCC is no longer requesting recycled water and must monitor their storage pond levels at Bass Lake and Pond 11.

The graph below shows our secondary storage compared to previous years, as measured on the first Wednesday of each month. We are on track to having adequate room in our secondary storage for the upcoming year’s storms.



SEWER COLLECTION

Staff worked with contractors to clean know problematic sections of sewer lines prior to the Thanksgiving holiday as well as cleaned 27,277 feet of sewer collection lines.

DRAINAGE / STORMWATER

Staff has been removing vegetation in the drainage channel behind the wastewater plant and inspecting stormwater flows and Best Management Practices (BMP) before, during, and after rain events.

District staff removed Oleanders that were a source of frequent complaints to the RMCC, RMA, and the District between the sidewalk and fence on Murieta South Parkway by Hole #12. (See photo below.)



The two (2) south levee stormwater pumps that were sent out for repair are scheduled to be reinstalled the first week of January 2018.

WET DRAINAGE BASINS

Another meeting was conducted for discussion of the wet detention basins. Discussion focused on bioretention in the drainage channels prior to entering Laguna. Bioretention is the use of natural vegetation and ground infiltration to assist in the cleaning up of drainage run-off. I shared photos of surrounding communities' drainage basins and channels that use this concept. Greg Vorster provided a vegetated slope standard from Yolo County as an example of what is being done. A resident professor from California State University (CSU), Sacramento commented on apparent success of them at CSUS and would endeavor to provide a plan for them at the next meeting. Larry Shelton suggested we provide outreach to change the paradigm and go back to a natural state with possible signage around Laguna Joaquin. Mark Martin suggested we determine what the maximum flows may be for sizing bioretention design and provide a draft plan for design. All in attendance agreed that bioretention idea would be a good idea.

I am continuing to look into what would be required to address regulatory concerns as needed to treat the floating vegetation at Basin 5 (Lost Lake) as it has a direct outfall to the Cosumnes River. Having fixed the low flow overflow and its outlet valve could potentially give us a way to retain water in the basin without outfall, depending on incoming flows. Also, a revision to the District's Aquatic Pesticide Application Plan would be required along with a resubmittal to the Regional Water Quality Control Board.

WATER METERING AND UTILITY STAFF WORK

In November, twelve (12) $\frac{3}{4}$ " meters and one (1) 1" meter were replaced. Seventeen (17) Utility Star reports, three (3) rebate inspections, and eight (8) underground service alerts (USAs) were completed. Utilities staff repaired three (3) water leaks and relocated an end of line blow off valve into the street vs under a driveway and into private property.

DEVELOPMENT

The Retreats East & North

The Retreats East was separated out from the East & North combined project. We heard that they wished to proceed and considered parceling out the project for each lot vs developing the lots. The project reports that it is on hold for now.

Murieta Gardens

The project was inspected for stormwater Best Management Practice (BMP) which are site control items to keep stormwater discharges clean. The site had them in place prior to the last set of storms, however, due to heavy rainfall they needed to be replaced, fixed, and add more BMPs, which has been conveyed in photos and a site meeting with the project. The project then complied.

The Murieta Gardens - Murieta Marketplace

The project continues to proceed with oversight from Coastland Engineering inspection services with District staff filling in to provide full coverage. Recent work includes finishing storm drain installations and a sewer tie-in to the District's sewer stub on the west side of Murieta Drive, installation of sewer piping, as well as fixing BMPs as noted above.

The Murieta Gardens – Highway 16 Offsite Improvements

The project cut the top off the CIA ditch diversion structure and reset it lower down, per a Caltrans requirement for the project. The temporary drainage connection from the Highway 16 drainage is still routed into holes that were cut into the top of the new the CIA ditch pipe there. No word yet as to when the project will put in the permanent drainage piping along Highway 16. Trench water still appears to be an issue from around the CIA ditch pipe installation.



Photo of the CIA Ditch diversion structure after a section of it being lowered with Marketplace site and Inn in the background

The Murieta Gardens II – Subdivision

Along with previously running a pump flow analysis, we pulled the Cantova sewer pumps and allowed the project engineer and a pump representative to view them and the system for determining the future needs of the station.

Rancho Murieta North – development project

Project plans and a CD were provided to the District for reference of the project. No update as to any proceedings with the project.

FAA Business Park

Due to the soil conditions, the project is going to wait until the spring to begin. They are hoping to get started in March-April, weather permitting.

The Greens Neighborhood Park

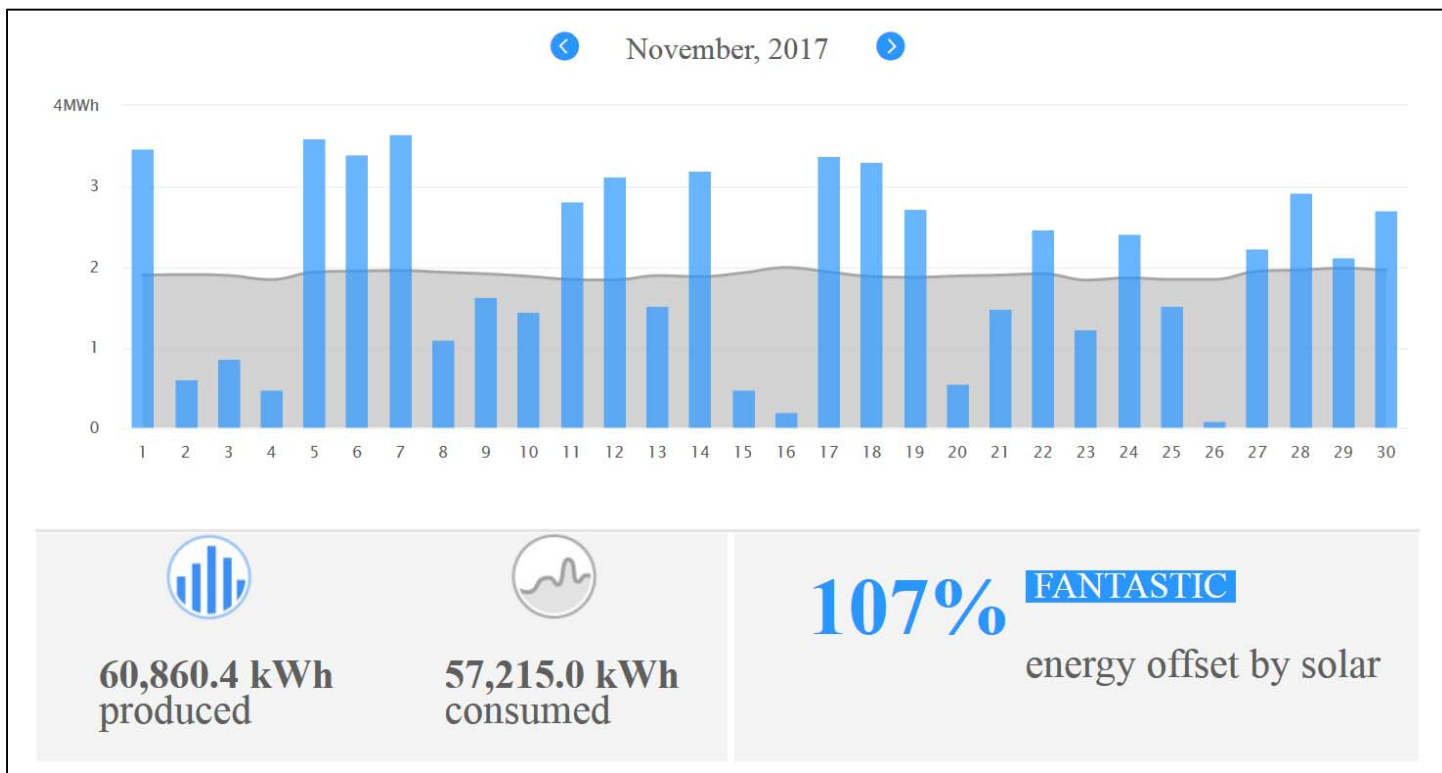
Phase 1 of the project is complete and all erosion control BMP installations complete. No word as to if and/or when Phase 2 of the project may proceed. Items left for the RMA to address are to certify the backflow devices on the water services and to repair the keystone block wall along the discharge side of the culvert at the park entrance.

SOLAR POWER INSTALLATIONS

As-built drawings were provided for each site and saved to the Districts drive.

Wastewater Treatment Plant

The site is active and producing power which supplies the wastewater facility, the administration office, and the Field Operations warehouse. The online monitoring system is reporting the following for the month of November as shown in the following:



Water Treatment Plant Site

Solar City/TESLA made the site active on November 8, 2017.

EMERGENCY WELL PROJECT

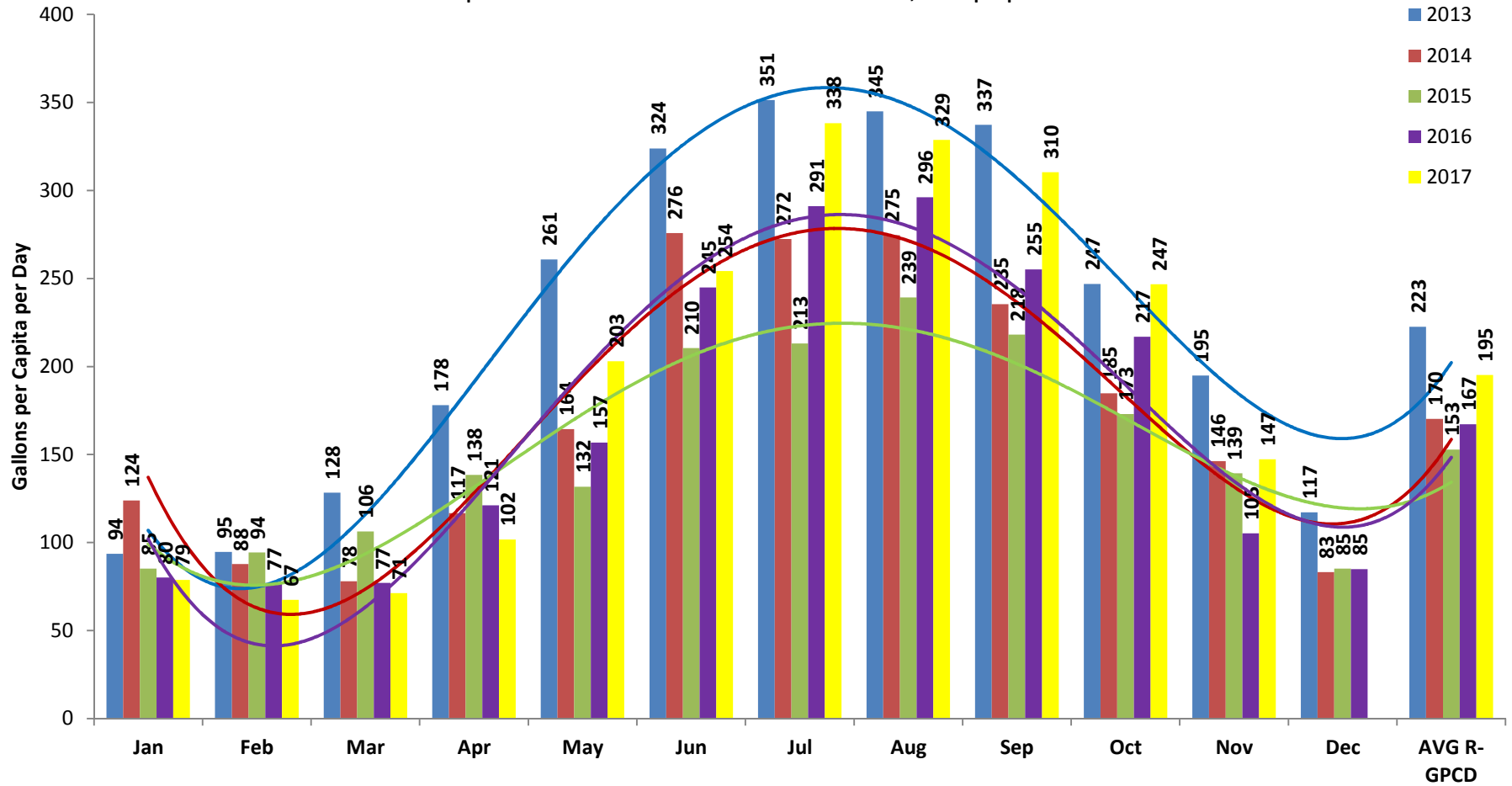
The Regional Water Authority (RWA) has submitted a request to the Department of Water Resources (DWR) to extend the Prop 84 Grant through 2018. As of the date of this memo, no response has been received from the DWR, however they believe it will be renewed prior to its expiration at the end of this year. All work for the project is on hold until it is known whether the Grant will be extended or not.

Rancho Murieta - Residential Gallons per Capita per Day

Comparison of 2013, 2014, 2015, 2016 and 2017

Residential Potable Water Consumption

Extrapolated Based on 2010 Census of 5,488 population



Conservation achieved November 2014 versus November 2013: 25%
 Conservation achieved November 2015 versus November 2013: 29%
 Conservation achieved November 2016 versus November 2013: 46%
 Conservation achieved November 2017 versus November 2013: 24%

2014 versus 2013 YTD conservation: 23%
 2015 versus 2013 YTD conservation: 32%
 2016 versus 2013 YTD conservation: 25%
 2017 versus 2013 YTD conservation: 16%

MEMORANDUM

Date: December 7, 2017
To: Board of Directors
From: Eric Thompson, Controller
Subject: Receive and File the 2016-2017 Annual Rancho Murieta Community Services District Audit Report and the Community Facilities District #2014-1 Audit Report

RECOMMENDED ACTION

No action - receive and file.

BACKGROUND

Enclosed is the 2016-2017 Annual Rancho Murieta Community Services District Audit Report and the Community Facilities District #2014-1 Audit Report. Mr. Bain will attend the December 20, 2017 Board meeting to present the final audit and to answer any questions of the Board of Directors.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2017

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

We have audited the accompanying financial statements of each major fund, and the fiduciary fund of the Rancho Murieta Community Services District (District) as of and for the fiscal year ended June 30, 2017, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Rancho Murieta Community Services District, California, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The required supplementary information other than MD&A, as listed in the table of contents on pages 47 and 48, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Information

We have also issued our report dated November 12, 2017 on our consideration of the District's internal control over financial reporting. That report should be read in conjunction with this report in considering our audit.

The Schedules of Operating Revenues and Operating Expenses for the Water, Sewer, Drainage, Solid Waste and Security Funds on pages 34-46, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Larry Bain, CPA,
An Accounting Corporation
November 12, 2017

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis
June 30, 2017

As management of the Rancho Murieta Community Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements which follow this section.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$34,669,541 (net position). Of this amount, \$4,956,423 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors.
- The District's total net position decreased by \$284,147 during the 2016-2017 fiscal year; unrestricted net position increased \$881,273.

Overview of the Basic Financial Statements

This annual financial report consists of four parts: (1) Management's Discussion and Analysis; (2) the Basic Financial Statements; (3) Notes to Basic Financial Statements; and (4) optional Supplementary Information.

This discussion and analysis provides an introduction and brief description of the District's basic financial statements, which include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

The *Statement of Net Position*, commonly referred to as the Balance Sheet, presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Net Position also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses and Changes in Net Position* reflects all of the current year's revenues and expenses. All of the current year's revenues and expenses are recorded using the accrual basis of accounting by recognizing revenues in the period they are earned and expenses in the period they are incurred without regard to the timing of the related cash flows. This statement measures the success of the District's operations over the past year and determines whether the District has recovered its costs through its rates, fees and other charges. The District's profitability and creditworthiness can also be determined from this statement.

The *Statement of Cash Flows* provides information about the District's cash receipts and cash payments during the reporting period as well as net changes in cash resulting from operations, non-capital financing, capital and related financing activities, and investing. The statement explains where cash came from and where cash was used and the change in the cash balance during the reporting period.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2017

The District's basic financial statements are organized by fund. **Fund Financial Statements** report on groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. The accounts of the District are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these basic financial statements into two broad categories which, in aggregate, include two fund types as follows:

1. PROPRIETARY FUND TYPE

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and special taxes; and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Revenues are fully accrued to include unbilled services at fiscal year-end. The District uses enterprise funds to account for the Water, Sewer, Drainage, Solid Waste and Security activities of the District.

2. FIDUCIARY FUND TYPE

Agency Funds

Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other governmental units and/or other funds. Since the resources of these funds are not available to support the District's own activities, they are not reflected in the government-wide financial statements.

The basic financial statements can be found on pages **10-19** of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages **19-33** of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of the District, assets exceeded liabilities by \$34,660,541 (net position) at the close of the most recent fiscal year.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2017

Condensed Financial Information
Rancho Murieta Community Services District Net Position

	June 30, 2017	June 30, 2016
<u>Assets</u>		
Current and Other Assets	\$ 9,200,865	\$ 9,259,169
Capital Assets - net of accumulated depreciation	29,713,118	30,878,538
Total Assets	38,913,983	40,137,707
Deferred Outflow of Resources	691,332	266,017
<u>Liabilities</u>		
Current Liabilities	1,796,138	2,713,203
Long-term Liabilities	2,878,101	2,291,152
Total Liabilities	4,674,239	5,004,355
Deferred Inflow of Resources	261,535	445,681
<u>Net Position</u>		
Net Investment in Capital Assets	29,713,118	30,878,538
Unrestricted Net Position	4,956,423	4,075,150
Total Net Position	\$ 34,669,541	\$ 34,953,688

- The District's total net position decreased by \$284,147 during the current fiscal year. Unrestricted net position increased \$881,273 while capital assets, net of accumulated depreciation, decreased \$1,165,420. The decrease in capital assets is primarily due to increased depreciation expenses. The largest of these being for the Water Treatment Plant #1 (WTP#1) Expansion & Upgrade project, which was placed in service April 11, 2016. Capital asset depreciation expense during the year was \$1,484,464.
- Designated cash and investments, which are capital reserves designated for capital improvements and replacements increased \$800,788. In addition to recurring monthly reserve contributions, on April 19, 2017 the District Board of Directors approved an additional \$360,000 of excess working capital to be transferred to capital reserves.
- The District's Net Pension Liability increased by \$590,595 year-over-year, primarily due to the interest charged on the District's proportionate share of the total pension liability. Despite this large increase, Total Liabilities decreased by \$330,116 during the current fiscal year.
- The District had three (3) inter-fund borrowings as of 6/30/2017. Each of these borrowings are being repaid through monthly installments and interest is calculated based on the earnings reported monthly by LAIF.
 - WTP#1 Borrowing from Sewer Capital Replacement Reserves - \$1,137,180
 - WTP#1 Borrowing from Water Augmentation Reserves - \$379,060
 - Security North Gate Borrowing from Drainage Capital Improvement Reserves - \$63,203
- By far the largest portion of the District's net position (85.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) (Net Capital Assets \$29,713,118 / Total Net Position \$34,669,541 = 85.7%). Some of these assets are from contributed capital. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2017

Enterprise-Type Activities – Water, Sewer, Drainage, Solid Waste and Security
Rancho Murieta Community Services District Changes in Net Position

	June 30, 2017	June 30, 2016
Revenues		
Operating revenues	\$ 5,477,755	\$ 5,393,741
Nonoperating revenues	1,345,923	1,302,001
CFD Reimbursements	26,976	878,689
Total Revenues	<u>6,850,654</u>	<u>7,574,431</u>
Operating Expenses		
Water	1,228,389	1,459,825
Sewer	692,530	574,637
Drainage	148,418	145,616
Security	1,024,460	984,933
Solid waste	594,996	609,600
General and administration	1,961,543	1,628,536
Depreciation	1,484,464	1,225,574
Total Operating Expenses	<u>7,134,801</u>	<u>6,628,721</u>
Change in Net Position	<u>(284,147)</u>	<u>945,710</u>
Net Position (restated), Beginning of Fiscal Year	34,953,688	34,213,435
Prior Period Adjustment	-	(205,457)
Net Position, End of Fiscal Year	<u>\$ 34,669,541</u>	<u>\$ 34,953,688</u>

Key elements of the enterprise activities are as follows:

- Total operating revenues increased 1.6% year-over-year. Water operating revenues increased by \$92,130 or 4.9% due to a 1.2% increase in Water service rates, new development, and relaxed conservation efforts. Sewer operating revenues decreased by \$17,567 or (1.3%) and were budgeted for a decrease in rates of (1.9%) versus the prior year. Security operating revenues increased \$3,032 or 0.2% which was in line with the 0.0% change in budgeted rates. Drainage operating revenues increased \$464 or 0.2% on a 0.0% rate change. Solid Waste rates were also budgeted flat year-over-year and operating revenues increased \$5,955 or 0.9%.
- Non-operating revenues increased \$43,922 or 3.4% due primarily to a 5.0% increase in property tax revenues received through Sacramento County, and a 68.7% increase in investment interest income.
- The Water Department collects, treats, and distributes potable drinking water to the Rancho Murieta community. Water operating expenses (excluding depreciation) decreased \$231,436 or (15.9%). This decrease is related to increased wages, employer costs, and temporary filtration that were incurred during the prior fiscal year for the WTP#1 Expansion and Upgrade Project.
- The Sewer Department collects, treats, and disposes of Rancho Murieta community waste water. Rancho Murieta experienced excessive rains during the 2016-2017 fiscal year. Wages and employer costs were \$128,606 or 24.3% higher than the prior year. Total Sewer operating expenses (excluding depreciation) increased \$117,893 or 20.5%.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2017

- The Drainage Department provides and maintains the drainage system for Rancho Murieta. Drainage operating expenses increased \$2,802 or 1.9% with savings in wages and employer costs being offset by increased chemicals and maintenance costs.
- Solid Waste services are provided by contract through California Waste Recovery Services. Operating expenses for Solid Waste decreased \$14,604 or (2.4%). This decrease is related to the Household Hazardous Waste event that was held in fiscal year 2015-2016, but not in the current fiscal year.
- The Security department provides gate and patrol services. Operating expenses for Gate services increased \$32,623 or 6.4%. This increase is primarily related to contract staffing during multiple position vacancies. Operating expenses for Patrol services increased \$6,904 or 1.5% with increases in wages and salaries being offset by reductions in contract staffing.
- The Administration department covers the remaining staff located in the District's administration building excluding the Director of Field Operations and the Security Chief. The Administration department is not a reporting entity for financial statement purposes and its activities, revenues, and costs are allocated to the Water, Sewer, Drainage, Solid Waste and Security departments on a prorated basis. Allocated, district-wide Administration costs are combined with individual department administration costs on the Statement of Revenues, Expenses, and Changes in Net Position and are shown as General and Administrative costs. District-wide General and Administrative costs increased \$36,099 or 3.1%. This increase is due to overlapping wages and employer costs during the transition of the general manager position, increased insurance costs, GM recruitment expenses, and significantly higher legal expenses. Legal expenses increased by \$27,445 or 41.3% year-over-year and included \$44,083 in fees related to the ongoing M&R litigation.

	Capital Assets			
	July 1, 2016	Additions	Adjustments/ Deletions	
Depreciable Capital Assets				
Water Transmission	\$ 7,333,004	\$ -	\$ -	\$ 7,333,004
Water Treatment	22,669,142	59,972	-	22,729,114
Studies	743,999	-	-	743,999
Collection Facilities	4,973,669	-	-	4,973,669
Sewer treatment and disposal	16,048,109	-	-	16,048,109
Lake Chesbro Protection	270,020	-	-	270,020
Waste Discharge	549,152	-	-	549,152
Buildings and improvements	822,032	-	-	822,032
Vehicles & Equipment	1,761,467	24,226	(12,980)	1,772,713
Total Depreciable Capital Assets	55,170,593	84,198	(12,980)	55,241,809
Less - Accumulated Depreciation	(25,398,782)	(1,484,464)	12,980	(26,870,266)
Net Depreciable Capital Assets	29,771,811	(1,400,266)	-	28,371,543
Non-Depreciable Capital Assets				
Construction in Progress	515,037	234,848	-	749,885
Land	591,690	-	-	591,690
Total Non-Depreciable Capital Assets	1,106,727	234,848	-	1,341,575
Net Capital Assets	\$ 30,878,538	\$ (1,165,418)	\$ -	\$ 29,713,118

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2017

Capital Assets. The District's investment in capital assets as of June 30, 2017 amounted to \$29,713,118 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was (3.8%).

Major capital asset events during the current fiscal year included the following:

- Recycled Water Program Implementation Plan & Pre-Design (*in-progress*)
- Solar Power Project at the Sewer Waste Water Treatment Plant
- SCADA System Replacement at Sewer Waste Water Treatment Plant
- 2016 Jeep Patriot purchased (capital lease) for Security Patrol
- Capital Improvement / Water Augmentation Fee Study (*in-progress*)

Economic Factors and Next Year's Budget and Rates

The Board of Directors adopted the District's 2017/2018 annual budget on June 21, 2017 which provides for the District's operating and capital costs for the 2017/2018 fiscal year. On May 18, 2016 California state regulators lifted the statewide drought restrictions that were declared by Governor Jerry Brown on January 1, 2014. Since that time the District has seen water usage steadily increase. During the first four months of the 2017/2018 fiscal year, residential water consumption was up 15.1% versus the prior year.

Development will continue to be a major focus for the District in the coming year(s). Rancho Murieta Properties, LLC originally submitted preliminary development plans to Sacramento County that included the proposed addition of eight residential villages and one commercial site. Within the eight residential villages, 827 single-family detached lots were planned on roughly 350 net developable acres. As of November 21, 2017, the project (as shown on the Sacramento County planning website) included 795 single-family lots on roughly 338 acres. These proposed development plans will continue to be revised and modified as the project moves forward. Construction on The Murieta Inn & Spa and on the Retreats West, North, and East subdivisions continued throughout 2016-2017 and will continue into future fiscal years.

The District continues to manage and account for CFD 2014-1. This CFD (Community Facilities District) was formed at the request of the developers of the Murieta Inn & Spa and Rancho Murieta North Properties to finance their portion of the WTP#1 Expansion and Upgrade project. Under CFD 2014-1 tax exempt bonds were sold on January 29, 2015 and provided \$4,358,245 of bond revenue for the project. The CFD 2014-1 (through Sacramento County) performed its first Mello-Roos tax assessment on subject properties in August 2017. Bond maturities stretch from 2018 to 2044 and subsequent tax assessments will be levied annually for payment of interest and principle to bond investors.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Continued)
June 30, 2017

The replacement of a Security Patrol Vehicle (\$26,000) and Two Way Radios (\$12,000) were the only new capital projects added to the 2017-2018 budget. Projects carried forward from prior years include:

- 1) Augmentation Well Development
- 2) Wastewater Recovery Plant Filter PLC Replacement
- 3) Main Lift North Generator Replacement
- 4) Granlees Forebay Repairs
- 5) Truck Replacement in the Water/Sewer Departments
- 6) Electronic Documents Management System

The District's rates for Water, Sewer, Drainage, Security and Solid Waste services are reviewed annually by staff and the Board of Directors. For fiscal year 2017-2018, the District increased rates by approximately 0.6% for Water services. Sewer service rates increased by 0.7% and Solid Waste rates went up 1.1%. Special tax rates for Security and Drainage went up 4.0% and 4.1%, respectively. Overall, the average customer's monthly bill for 2017-2018 is projected to be \$2.22 higher than during the previous year.

Requests for Information

This financial report is designed to provide a general overview of the Rancho Murieta Community Services District's finances for all those with an interest in the District's financial operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rancho Murieta Community Services District, General Manager, P.O. Box 1050, Rancho Murieta, CA 95683.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Statement of Net Position - Proprietary Funds

June 30, 2017

(With Comparative Totals for June 30, 2016)

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 364,190	\$ 730,479	\$ 43,921
Accounts receivable	341,040	203,880	30,286
Grants receivable	-		
Interest receivable	1,246	173	26
Prepaid Expenses	70,762	24,855	3,627
Deposits	-	-	-
Due from other funds		1,137,180	63,203
Due from developers			
Total Current Assets	<u>777,238</u>	<u>2,096,567</u>	<u>141,063</u>
Capital Assets - net of accumulated depreciation	<u>19,582,834</u>	<u>9,705,417</u>	
Other Assets:			
Cash and investments -designated	2,157,068	2,616,833	351,915
Interest receivable - designated	4,337	5,010	806
Total Other Assets	<u>2,161,405</u>	<u>2,621,843</u>	<u>352,721</u>
Total Assets	<u>22,521,477</u>	<u>14,423,827</u>	<u>493,784</u>
<u>Deferred Outflows of Resources</u>			
Deferred outflows-pensions	<u>238,908</u>	<u>157,992</u>	<u>32,197</u>
Total Deferred Outflows of Resources	<u>238,908</u>	<u>157,992</u>	<u>32,197</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 22,760,385</u>	<u>\$ 14,581,819</u>	<u>\$ 525,981</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	\$ 130,690	\$ 78,128	\$ 1,889
Accrued payroll	14,624	12,288	1,340
Post retirement medical liability	18,371	13,395	2,382
Deposits	154,603	45	9
Due to other funds	1,140,252	1,249	256
Due to others	-		
Capital lease			
Total Current Liabilities	<u>1,458,540</u>	<u>105,105</u>	<u>5,876</u>
Noncurrent Liabilities:			
Capital lease			
Net pension liability	925,684	657,121	126,443
Compensated absences	32,277	23,688	4,600
Total Noncurrent Liabilities	<u>957,961</u>	<u>680,809</u>	<u>131,043</u>
Total Liabilities	<u>2,416,501</u>	<u>785,914</u>	<u>136,919</u>
<u>Deferred Inflows of Resources</u>			
Deferred inflows-advances	11,195	8,168	1,678
Deferred inflows-pensions	70,634	60,129	10,024
Total Deferred Inflows of Resources	<u>81,829</u>	<u>68,297</u>	<u>11,702</u>
<u>Net Position</u>			
Net investment in capital assets	19,582,834	9,705,417	
Net Position:			
Unrestricted	679,221	4,022,190	377,360
Total Net Position	<u>20,262,055</u>	<u>13,727,607</u>	<u>377,360</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 22,760,385</u>	<u>\$ 14,581,819</u>	<u>\$ 525,981</u>

The accompanying notes are an integral part of these basic financial statements.

		Totals	
Solid Waste Fund	Security Fund	2017	2016
\$ 245,747	\$ 152,606	\$ 1,536,943	\$ 2,422,339
65,071	347,579	987,856	799,250
		-	-
358	134	1,937	2,354
2,429	18,323	119,996	64,611
-	-	-	53,905
		1,200,383	1,363,748
		-	-
313,605	518,642	3,847,115	4,706,207
	424,867	29,713,118	30,878,538
6,201	211,098	5,343,115	4,547,581
	482	10,635	5,381
6,201	211,580	5,353,750	4,552,962
319,806	1,155,089	38,913,983	40,137,707
8,615	253,620	691,332	266,017
8,615	253,620	691,332	266,017
\$ 328,421	\$ 1,408,709	\$ 39,605,315	\$ 40,403,724
\$ 103,727	\$ 18,857	\$ 333,291	\$ 906,512
618	16,259	45,129	122,790
678	18,263	53,089	106,770
8	30	154,695	209,604
210	64,056	1,206,023	1,363,748
		-	1,438
	3,911	3,911	2,341
105,241	121,376	1,796,138	2,713,203
	12,499	12,499	7,908
33,759	1,033,297	2,776,304	2,185,709
1,818	26,915	89,298	97,535
35,577	1,072,711	2,878,101	2,291,152
140,819	1,194,086	4,674,239	5,004,355
1,375	5,583	27,999	22,306
2,660	90,089	233,536	423,375
4,035	95,672	261,535	445,681
	424,867	29,713,118	30,878,538
183,568	(305,916)	4,956,423	4,075,150
183,568	118,951	34,669,541	34,953,688
\$ 328,421	\$ 1,408,709	\$ 39,605,315	\$ 40,403,724

The accompanying notes are an integral part of these basic financial statements.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Operating Revenues:			
Service charges	\$ 1,946,496	\$ 1,306,806	\$ -
Special taxes			188,006
Other charges	45,109	24,252	636
Total Operating Revenues	<u>1,991,605</u>	<u>1,331,058</u>	<u>188,642</u>
Operating Expenses:			
Source of supply	144,630		
Treatment	626,525		
Transmission and distribution	457,235		
Sewer collection		234,756	
Sewer treatment and disposal		457,774	
Drainage			148,418
Gate services			
Patrol services			
Solid waste			
General and administrative	806,335	624,197	73,962
Depreciation	829,781	609,394	
Total Operating Expenses	<u>2,864,506</u>	<u>1,926,121</u>	<u>222,380</u>
Operating Income (Loss)	<u>(872,901)</u>	<u>(595,063)</u>	<u>(33,738)</u>
Non-operating Revenues (Expenses):			
Taxes	211,445	161,437	33,157
Capital reserve fees	213,265	209,747	
Debt reserve fee	187,373		
Interest revenue	21,577	28,811	3,336
Rent			
Water augmentation	14,896		
Gain (Loss) on disposal of capital assets			
Refunds and reimbursements			
Interest expense	(9,074)		
Grant revenue			
Miscellaneous	29,841	6,899	1,438
Total Non-operating Revenues (Expenses)	<u>669,323</u>	<u>406,894</u>	<u>37,931</u>
Special Item			
CFD Project Reimbursement	13,488	13,488	
Change in Net Position	(190,090)	(174,681)	4,193
Net Position, Beginning of Fiscal Year	20,452,145	13,902,288	373,167
Prior Period Adjustments	-	-	-
Net Position, End of Fiscal Year	<u>\$ 20,262,055</u>	<u>\$ 13,727,607</u>	<u>\$ 377,360</u>

The accompanying notes are an integral part of these basic financial statements.

		Totals	
Solid Waste Fund	Security Fund	2017	2016
\$ 644,477	\$ -	\$ 3,897,779	\$ 3,799,886
	1,261,274	1,449,280	1,445,640
	60,699	130,696	148,215
<u>644,477</u>	<u>1,321,973</u>	<u>5,477,755</u>	<u>5,393,741</u>
		144,630	144,689
		626,525	861,654
		457,235	453,482
		234,756	173,090
		457,774	401,547
		148,418	145,616
	543,961	543,961	511,338
	480,499	480,499	473,595
594,996		594,996	609,600
60,373	396,676	1,961,543	1,628,536
	45,289	1,484,464	1,225,574
<u>655,369</u>	<u>1,466,425</u>	<u>7,134,801</u>	<u>6,628,721</u>
<u>(10,892)</u>	<u>(144,452)</u>	<u>(1,657,046)</u>	<u>(1,234,980)</u>
27,178	129,703	562,920	536,308
	67,580	490,592	478,919
		187,373	187,245
1,316	2,264	57,304	33,973
		14,896	20,482
			2,891
	(1,491)	(10,565)	(6,294)
	5,225	43,403	48,477
<u>28,494</u>	<u>203,281</u>	<u>1,345,923</u>	<u>1,302,001</u>
		26,976	878,689
17,602	58,829	(284,147)	945,710
165,966	60,122	34,953,688	34,213,435
-	-		(205,457)
<u>\$ 183,568</u>	<u>\$ 118,951</u>	<u>\$ 34,669,541</u>	<u>\$ 34,953,688</u>

The accompanying notes are an integral part of these basic financial statements.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Cash Flows from Operating Activities:			
Receipts from customers	\$ 1,946,725	\$ 1,343,872	\$ 187,903
Payments to employees	(1,118,058)	(687,958)	(153,694)
Payments to suppliers	(1,524,477)	(699,512)	(89,256)
Net Cash Provided By (Used In) Operating Activities	(695,810)	(43,598)	(55,047)
Cash Flows from Non-capital Financing Activities:			
Taxes received	211,445	161,437	33,157
Grants			
Debt reserve fee	187,373		
Miscellaneous	44,737	6,899	1,438
Net Cash Provided By (Used In) Non-capital Financing Activities	443,555	168,336	34,595
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(231,602)	(63,217)	
Interfund lending	(137,457)	141,778	23,092
Cash received from sale of assets			
CFD project reimbursement	13,488	13,488	
Debt activity	(9,074)		
Capital reserve fees	213,265	209,747	
Net Cash Provided By (Used In) Capital and Related Financing Activities	(151,380)	301,796	23,092
Cash Flows from Investing Activities:			
Interest received	20,118	26,056	2,964
Net Cash Provided by Investing Activities	20,118	26,056	2,964
Net Increase (Decrease) in Cash and Cash Equivalents	(383,517)	452,590	5,604
Cash and Cash Equivalents, July 1	2,904,775	2,894,722	390,232
Cash and Cash Equivalents, June 30	\$ 2,521,258	\$ 3,347,312	\$ 395,836
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Cash and investments	\$ 364,190	\$ 730,479	\$ 43,921
Restricted cash and investments	2,157,068	2,616,833	351,915
Total Cash and Cash Equivalents	\$ 2,521,258	\$ 3,347,312	\$ 395,836

The accompanying notes are an integral part of these basic financial statements.

Solid Waste Fund	Security Fund	Totals	
		2017	2016
\$ 644,412	\$ 1,170,926	\$ 5,293,838	\$ 6,328,099
(40,093)	(1,248,233)	(3,248,036)	(3,048,204)
(634,520)	(248,717)	(3,196,482)	(2,912,012)
(30,201)	(326,024)	(1,150,680)	367,883
27,178	129,703	562,920	536,308
		-	-
		187,373	187,245
	5,225	58,299	72,612
27,178	134,928	808,592	796,165
210	(24,228)	(319,047)	(2,541,834)
	(21,983)	5,640	-
		-	2,898
		26,976	878,689
	4,670	(4,404)	1,896
	67,580	490,592	478,919
210	26,039	199,757	(1,179,432)
1,165	2,168	52,471	30,346
1,165	2,168	52,471	30,346
(1,648)	(162,889)	(89,860)	14,962
253,597	526,593	6,969,919	6,954,958
<u>\$ 251,949</u>	<u>\$ 363,704</u>	<u>\$ 6,880,059</u>	<u>\$ 6,969,919</u>
\$ 245,747	\$ 152,606	\$ 1,536,944	\$ 2,422,339
6,201	211,098	5,343,114	4,547,581
<u>\$ 251,949</u>	<u>\$ 363,704</u>	<u>\$ 6,880,059</u>	<u>\$ 6,969,919</u>

The accompanying notes are an integral part of these basic financial statements.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating loss	\$ (872,901)	\$ (595,063)	\$ (33,738)
Noncash items included in operating loss			
Depreciation	829,781	609,394	
Changes in assets and liabilities			
Decrease (increase) in operating assets			
Accounts receivable	(12,218)	1,051	(4,574)
Prepaid expenses	(21,223)	(17,019)	(2,823)
Deposits	19,374	10,221	3,550
Due from others			
GASB 68 adjustments	(8,772)	(5,421)	(1,168)
Increase (decrease) in operating liabilities			
Accounts payable	(523,392)	(23,109)	(6,794)
Accrued payroll	(32,244)	(11,815)	(7,113)
Post retirement medical liability	(18,547)	(12,800)	(2,487)
Deposit liability	(54,554)		(32)
Due to others	(1,438)		
Compensated absences	(2,194)	(580)	(185)
Deferred revenue	2,518	1,543	317
Net Cash Provided By (Used In) Operating Activities	\$ (695,810)	\$ (43,598)	\$ (55,047)

The accompanying notes are an integral part of these basic financial statements.

Solid Waste Fund	Security Fund	Totals	
		2017	2016
\$ (10,892)	\$ (144,452)	\$ (1,657,045)	\$ (1,234,980)
	45,289	1,484,464	1,225,574
(866)	(171,998)	(188,605)	1,061,236
(1,770)	(12,550)	(55,384)	(636)
682	20,078	53,905	(905)
		-	29,809
(313)	(8,884)	(24,558)	(192,439)
(15,929)	(3,997)	(573,221)	(374,047)
(881)	(25,608)	(77,661)	16,189
(683)	(19,164)	(53,681)	32,080
(141)	(183)	(54,910)	166
		(1,438)	1,438
332	(5,610)	(8,239)	14,252
260	1,055	5,693	(209,854)
<u>\$ (30,201)</u>	<u>\$ (326,024)</u>	<u>\$ (1,150,680)</u>	<u>\$ 367,883</u>

The accompanying notes are an integral part of these basic financial statements.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Fiduciary Net Position
June 30, 2017**

	<u>PARS OPEB</u>	<u>CFD</u>
	<u>Trust Fund</u>	<u>Agency Funds</u>
<u>Assets</u>		
Cash and investments	\$ 1,395,211	\$ 996,939
Prepaid expense		1,550
Due from others		5,642
	<hr/>	<hr/>
Total Assets	<u>\$ 1,395,211</u>	<u>\$ 1,004,131</u>
 <u>Liabilities</u>		
Due to others	<u>\$ -</u>	<u>\$ 1,004,131</u>
	<hr/>	<hr/>
Total Liabilities		<u>1,004,131</u>
 <u>Net Position</u>		
Held in trust for OPEB benefits	<u>1,395,211</u>	
	<hr/>	
Total Liabilities and Net Position	<u><u>\$ 1,395,211</u></u>	<u><u>\$ 1,004,131</u></u>

Changes in Fiduciary Net Position-PARS Trust Fund

Additions:		
Employer contributions	<u>\$ 189,009</u>	
Total contributions	<u>189,009</u>	
 Investment income (loss):		
Net adjustment to fair value of investments	<u>123,553</u>	
Total Additions (Deductions)	<u>123,553</u>	
	<hr/>	
Change in plan net position	<u>312,562</u>	
 Net Position:		
Held in trust for OPEB benefits:		
Beginning of year	<u>1,082,649</u>	
End of year	<u><u>\$ 1,395,211</u></u>	

The accompanying notes are an integral part of these basic financial statements.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies

The Rancho Murieta Community Services District (District) was formed in 1982, under California State Government Code 61600 and currently provides water, sewer, drainage, solid waste and security services throughout the Rancho Murieta Community. The District's financial and administrative functions are governed by a five member Board of Directors elected by the voting population within the District.

The accounting policies of the Rancho Murieta Community Services District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

A. Reporting Entity

The District's basic financial statements include the operations of all organizations for which the District's Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Based upon the aforementioned oversight criteria, the following entities have been included within the reporting entity as blended component units:

Special Assessment Districts – The special assessment districts are the Community Facilities District No. 1 and the Community Facilities District No. 2014-1. These Special Assessment Districts were created for the purpose of acquiring, constructing and maintaining water and sewer facilities within the Rancho Murieta boundaries. The District is not obligated to repay debt of the Special Assessment Districts but functions as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and, if appropriate, initiating foreclosures on delinquent property owners. Because of the special financing relationships, the Community Facilities District No. 1 and 2014-1 have been included in the financial statements as fiduciary fund types.

B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Fund Financial Statements

The proprietary fund financial statements provide information about the District's funds. Separate statements for each fund category - *proprietary and fiduciary* - are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

Proprietary fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds use the “economic resources” measurement focus and the accrual basis of accounting.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the District’s major proprietary funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total or five percent of all fund-type totals. The District may also select other funds it believes should be presented as major funds. The District reports all of its proprietary funds as major funds.

The District reports on the following major proprietary funds:

Water

This fund accounts for the activities of providing water to the residents of the District.

Sewer

This fund accounts for the activities of collecting and treating wastewater of the residents in the District.

Drainage

This fund accounts for the activities of providing drainage to the residents of the District.

Solid Waste

This fund accounts for the activities of collecting solid waste of the residents of the District.

Security

This fund accounts for the activities of providing security to the residents of the District.

The District reports the following additional fund types:

PARS Trust Fund

Accounts for activities associated with the District’s other post-employment benefits (OPEB) trust fund used for administration of health insurance for retirees.

Agency Fund

The Agency fund accounts for assets held by the District as an agent for other entities.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies (Continued)

D. Basis of Accounting

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both government-wide financial statements and proprietary funds financial statements to the extent that those standards do not conflict with or contradict with the guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

E. Budget and Budgeting

Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are a management tool and not a legal requirement.

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These assets are for the benefit of a distinct group and as such are legally or contractually restricted from an external source. When both restricted and unrestricted resources are available for use, the District uses restricted resources first, and then unrestricted resources as needed.

G. Comparative Data

Comparative total data for the prior fiscal year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position, operations, and cash flows. Certain amounts presented in the prior fiscal year data may have been reclassified in order to be consistent with the current fiscal year.

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Amounts held in the State of California Local Agency Investment Fund (LAIF) are considered to be cash and cash equivalents due to their highly liquid nature.

I. Property Taxes

Secured property taxes are levied on January 1 and are payable in two installments on November 1 and February 1, which become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. Sacramento County (County) bills and collects the property taxes and allocates a portion to the District. Property tax revenues are recognized in the fiscal year for which they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

The District is under the Teeter Plan and thus can receive 100% of the property tax apportionment each fiscal year, eliminating the need for an allowance for uncollectible tax. The County, in return, receives all penalties and interest. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies (Continued)

J. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding \$5,000.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

Buildings	40 years
Improvements	20-50 years
Equipment	5-15 years

K. Compensated Absences

All earned vacation, which is payable upon termination or retirement, is accrued as compensated absences, in accordance with GASB Statement No. 16. Sick leave benefits are not vested to the employee.

L. Net Position

GASB Statement No. 34 requires that the difference between assets and liabilities be reported as net position. Net position is classified as either invested in capital assets, net of related debt, restricted, or unrestricted.

Net position that is invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of invested in capital assets, net of related debt, or restricted net position.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributed to those amounts, are maintained in a trust. Participants have sole rights under the plan in an amount equal to the fair value of the deferred account for each participant.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies (Continued)

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Cash and Investments

Classification

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements:

Cash and investments	\$ 1,536,943
Designated cash and investments	5,343,115
Cash and investments, Statement of Net Position	6,880,058
Cash and investments, Statement of Fiduciary Net Assets	2,392,150
Total cash and investments	\$ 9,272,208

Cash and investments as of June 30, 2017 consist of the following:

Cash on hand	\$ 250
Deposits with financial institutions	815,583
Investments	8,456,375
Total cash and investments	\$ 9,272,208

A. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the **investment types** that are authorized for the Rancho Murieta Community Services District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California government Code or the District's investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statues governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Account	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 2: Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements

Investments held by trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the **investment types** that are authorized for investments held by trustees. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Investment pools authorized under CA Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Account	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Money Market Accounts	N/A	None	None

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	Totals	<u>Remaining Maturity (in Months)</u>	
		12 Months or Less	13-48 Months
CAMP*	\$ 605,067	\$ 605,067	-
State Investment Pool*	5,459,158	5,459,158	
PARS Trust*	1,395,211	1,395,211	
Money Market*	996,939	996,939	
Totals	<u>\$ 8,456,375</u>	<u>\$ 8,456,375</u>	<u>\$ -</u>

**Not subject to categorization*

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 2: Cash and Investments (Continued)

D. Disclosures Relating to Credit Risk:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of</u> <u>Fiscal Year End</u>
				<u>Not Rated</u>
CAMP Investment Pool	\$ 605,067	N/A	\$ -	\$ 605,067
State Investment Pool	5,459,158	N/A	-	5,459,158
Pars Trust	1,395,211	N/A	-	1,395,211
Money Market	996,939	N/A	-	996,939
Total investments	<u>\$ 8,456,375</u>		<u>\$ -</u>	<u>\$ 8,456,375</u>

Generally, credit risk is the risk that the issuer of an investment will not fulfil its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

E. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer that represent 5% or more of **total District investments**.

F. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2017, \$724,362 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in public funds collateralized accounts. As of June 30, 2017, the District did not hold any investments in any broker-dealer (counterparty) that was used by the District to buy the securities.

G. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 3: Capital Assets

Capital Assets at June 30, 2017, consist of the following:

	Balance July 1, 2016	Additions	Adjustments/ Deletions	Balance June 30, 2017
Water				
Depreciable assets:				
Water Transmission	\$ 7,333,004	\$ -	\$ -	\$ 7,333,004
Water Treatment	22,669,142	59,972		22,729,114
Studies	743,999			743,999
Vehicles and equipment	599,721			599,721
Subtotal	31,345,867	59,972	-	31,405,839
Less: Accumulated Depreciation	(11,466,399)	(829,781)		(12,296,180)
Net Capital Assets	19,879,468	(769,809)	-	19,109,658
Non-depreciable assets:				
Construction in progress	287,905	171,631		459,536
Land	13,640	-	-	13,640
Subtotal	301,545	171,631	-	473,176
Net Capital Assets	\$20,181,013	\$ (598,178)	\$ -	\$ 19,582,834
Sewer				
Depreciable assets:				
Collection Facilities	\$ 4,973,669	\$ -	\$ -	\$ 4,973,669
Pumping facility	42,763			42,763
Treatment Plant/Facilities	16,005,346			16,005,346
Vehicles and equipment	611,398			611,398
Lake Chesbro Protection	270,020			270,020
Waste Discharge	549,152			549,152
Telemetry Building	512,452			512,452
Subtotal	22,964,800	-	-	22,964,800
Less: Accumulated Depreciation	(13,518,386)	(609,395)		(14,127,781)
Net Capital Assets	9,446,414	(609,395)	-	8,837,018
Non-depreciable assets:				
Construction in progress	227,132	63,217		290,349
Land	578,050			578,050
Subtotal	805,182	63,217	-	868,399
Net Capital Assets	\$10,251,596	\$ (546,178)	\$ -	\$ 9,705,417
Security				
Depreciable assets:				
Vehicle and equipment	\$ 550,347	\$ 24,226	\$ (12,980)	\$ 561,593
Buildings and improvements	309,580			309,580
Subtotal	859,927	24,226	(12,980)	871,173
Less: Accumulated Depreciation	(413,997)	(45,289)	12,980	(446,306)
Net Capital Assets	\$ 445,930	\$ (21,063)	\$ -	\$ 424,867

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 4: Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 7/1/2016	Additions	Retirements	Balance 6/30/2017
Compensated absences	\$ 97,536	\$ 99,858	\$ (108,097)	\$ 89,297
Capital lease	10,249	9,521	(3,360)	16,410
Net pension liability (note 6)	2,185,709	590,595		2,776,304
Total	<u>\$ 2,293,494</u>	<u>\$ 699,974</u>	<u>\$ (111,457)</u>	<u>\$ 2,882,011</u>

Capital Leases

On June 7, 2016, the District Board of Directors authorized the financing and purchase of a security vehicle. The cost of the vehicle was \$20,095 and the District took out a \$10,249 lease to finance a portion of the purchase. The District will make monthly payments of \$240 for four years with the interest rate set at 5.85%.

On August 26, 2016, the District Board of Directors authorized the financing and purchase of a security vehicle. The cost of the vehicle was \$22,521 and the District took out a \$9,521 lease to finance a portion of the purchase. The District will make monthly payments of \$156.80 for four years with the interest rate set at 5.70%.

Note 5: Net Position

Net Position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined at the proprietary or fiduciary fund level, and are described below.

Net Investment in Capital Assets

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position

Restricted net position consists of constraints placed on net position use through external creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation which the District cannot unilaterally alter. These principally include connection fees received for use on capital projects and debt service requirements.

Unrestricted Net Position

Unrestricted net position describes the portion of net position which is not restricted as to use.

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, which is a cost-sharing, multiple employer, defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include full descriptions of the pension plans, benefit provisions, assumptions and membership information and can be found on the CalPERS website.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees or beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous	
	Prior to	On or after
	January 1, 2013	January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits , as a % of compensation	1.5% to 2%	1.0% to 2%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	8.89%	6.56%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer	\$	269,924
Contributions-employee (paid by employer)	\$	12,746

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate share of	
	Net pension liability	
	\$	2,776,304
Miscellaneous Plan		

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2016 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

The District's proportionate share of the net pension liability as of June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	0.07967%
Proportion - June 30, 2016	0.07992%
Change - Increase (Decrease)	0.000002

For the year ended June 30, 2017, the District recognized pension expense of \$245,366. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (37,802)
Changes of assumptions		(90,746)
Net difference between projected and actual earnings on pension plan investments	421,407	
Changes in proportion and differences between District contributions and proportionate share of contributions		(104,989)
District contributions subsequent to the measurement date	269,924	-
Total	<u>\$ 691,331</u>	<u>\$ (233,537)</u>

The \$269,924 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30:</u>	
2018	\$ (70,294)
2019	(47,178)
2020	195,703
2021	109,639
2022	-
Thereafter	-

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2%
Investment Rate of Return	7.50%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

The underlying mortality assumptions and all other actuarial assumptions used to set the actuarially determined contributions for fiscal year 2014-15 were based on the results of a June 30, 2012 funding valuation report. There were no changes in methods or assumptions used to determine the legally required contributions, which are actuarially determined, from the June 30, 2011 to the June 30, 2012 funding valuation report.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculations until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years). Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43
Inflation Sensitive	6%	0.45%	3.36
Private Equity	10%	6.83%	6.95
Real Estate	10%	4.50%	5.13
Infrastructure and Forestland	2%	4.50%	5.09
Liquidity	2%	-0.55%	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		Discount Rate -1%		Current Discount		Discount Rate +1%
		(6.65%)		Rate (7.65%)		(8.65%)
Miscellaneous	\$	4,325,411	\$	2,776,304	\$	1,496,047

Note 7: Post-Retirement Health Care Benefits

Plan Description

Rancho Murieta Community Services District’s Post-Retirement Healthcare Plan is a single employer, defined benefit healthcare plan administered by Public Employees’ Retirement System (PERS). PERS provides medical benefits to eligible retirees and their eligible dependents. Medical benefits are also paid to the surviving spouse of an eligible retiree. The District approved post-retirement health insurance benefits for all of its employees under the Public Employees’ Medical and Hospital Care Act (PEMHCA). For an employee hired prior to January 1, 2016 retiring from the District with 5 or more years of service with a CalPERS agency, the District will contribute the health benefit cost for the retiree and family members up to 100% of the lowest health benefit plan offered by PERS for unrepresented employees and up to 80% of the lowest health plan offered by PERS for represented employees. A retiree hired prior to January 1, 2016 with less than 5 complete years of service with a CalPERS agency who retires at the District receives no benefit. The PERS minimum is set by law. Employees hired on or after January 1, 2016 must have 10 or more years of PERS service. After 10 years of PERS service the employee is eligible for 50% of employer contributions towards the other post-employment benefit (OPEB) increasing 5% per year until reaching 100% after 20 years. The retiree is on the same medical plan as the District’s active employees, however monthly rates for coverage of covered active and retired employees are computed separately.

Funding Policy

The contribution requirement of plan members is established by the District’s Board of Directors. The 2016-2017 fiscal year annual required contribution is calculated using entry age normal cost (same as CalPERS). For the fiscal year ending June 30, 2017 the District contributed \$189,009 towards the unfunded actuarial accrued liability (UAAL). The District made the net contribution for fiscal year end June 30, 2017 directly to health insurance providers totalling \$101,226.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District chose a 30-year period to amortize the unfunded actuarial liability.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 7: Post-Retirement Health Care Benefits (Continued)

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the District's Healthcare Plan:

Payment of Unfunded Actuarial Accrued Liability	\$ (189,009)
Unreimbursed retiree premiums paid to plan providers	(101,226)
Increase (decrease) in net OPEB obligation	(290,235)
Net OPEB obligation - beginning of year	106,771
Annual Required Contribution (ARC).	236,550
Net OPEB obligation - end of year	\$ 53,086

A three year disclosure of the District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented as follows:

Fiscal Year End	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB (Obligation) Asset
June 30, 2015	254,870	104%	(74,691)
June 30, 2016	265,138	88%	(106,771)
June 30, 2017	236,872	123%	(53,086)

Funded Status and Funding Progress

As of June 30, 2017, the actuarial accrued liability (AAL) was \$2,687,749 and the unfunded actuarial accrued liability (UAAL) for benefits was \$1,605,100. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress will be presented in the future when multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits is available.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2016 actuarial valuation, the entry age normal cost asset valuation method is used. The actuarial assumptions included a 7% discount rate and the normal cost component of the ARC increases 5.5% per year throughout the five year projection. The valuation assumes that 100% of eligible retirees will actually participate in the retiree medical benefit. The annual healthcare cost trend rate for represented employees had an assumed cap of 3% per year and the unrepresented had an assumed premium rate increase of 7.9% beginning January 1, 2013, decreasing approximately 0.3% per year until reaching an ultimate rate of 5.5%. It was assumed salary increases will be 3.25% per annum.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2017

Note 8: Special Assessment District

The Rancho Murieta Community Services District adopted a resolution for the formation of Rancho Murieta Community Services District Community Facilities District No. 2014-1 (Rancho North/Murieta Gardens) (“CFD No. 2014-1”). CFD No. 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support the development of a hotel and other commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries of CFD No. 2014-1. On January 29, 2015 bonds in the amount of \$5,960,000 were issued to finance the costs of the Facilities and to finance costs associated with the issuance of bonds. During the 2014-2015 fiscal year, a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD No. 2014-1 commencing with the fiscal year 2016-17 tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs.

The amount of special assessment debt at June 30, 2017, is:

Community Facilities District No. 2014-1	<u>\$ 5,960,000</u>
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Note 9: Revenue Limitation Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996 will regulate the District’s ability to impose, increase, and extend taxes and assessments. Any new, increased, or extended taxes and assessments subject to the provisions of Proposition 218 requires voter approval before it can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative process and may be rescinded in future years by the voters.

Note 10: Commitments and Contingencies

Grants

Amounts received or receivable from grant and lending agencies are subject to audit and adjustment by grantor and lending agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor or lender cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Commitments

The District had open engineering, construction and professional service contracts as of June 30, 2017.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Water Fund

For the Fiscal Year Ended June 30, 2017

(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Service Charges:		
Water sales - residential	\$ 1,757,711	\$ 1,653,031
Water sales - commercial	178,409	168,513
Water availability charges	310	500
Water sales - others	<u>10,067</u>	<u>13,172</u>
Total Service Charges	<u>1,946,496</u>	<u>1,835,215</u>
Other Charges:		
Water telephone line contracts	5,798	5,756
Ditch service charge	-	700
District project charges	16,031	36,889
Late charges	17,831	14,787
Water inspection fees	1,391	1,771
Transfer fees	<u>4,059</u>	<u>4,357</u>
Total Other Charges	<u>45,109</u>	<u>64,260</u>
Total Operating Revenues	<u>\$ 1,991,606</u>	<u>\$ 1,899,475</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Water Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Source of Supply:		
Wages and salaries	\$ 21,211	\$ 11,122
Employer costs	9,098	5,791
Maintenance and repairs	11,366	6,787
Purchased power	51,202	68,614
Dam inspection costs	37,402	34,924
Chemical	14,350	17,450
Equipment rental	<u>-</u>	<u>-</u>
Total Source of Supply	<u>144,630</u>	<u>144,689</u>
Treatment:		
Wages and salaries	243,711	244,726
Employer costs	102,679	143,826
Purchased power	91,759	84,608
Chemicals	67,361	56,428
Maintenance and repairs	95,957	57,553
Supplies	10,561	2,193
Equipment rental	614	256,055
Lab tests	13,823	16,265
Miscellaneous	<u>59</u>	<u>-</u>
Total Treatment	<u>626,525</u>	<u>861,654</u>
Transmission and Distribution:		
Wages and salaries	194,654	200,102
Employer costs	84,049	89,228
Water meters	39,315	29,561
Maintenance and repairs	67,610	32,300
Purchased power	46,449	49,017
Equipment rentals	-	10,335
Road paving	24,886	41,898
Supplies	272	480
Miscellaneous	<u>-</u>	<u>561</u>
Total Transmission and Distribution	<u>457,235</u>	<u>453,482</u>
General and Administrative:		
Wages and salaries	277,294	268,712
Employer costs	<u>123,419</u>	<u>73,898</u>
Subtotal General and Administrative	<u>400,712</u>	<u>342,611</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Water Fund

For the Fiscal Year Ended June 30, 2017

(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Subtotal General and Administrative:	\$ 400,712	\$ 342,611
Communications	12,892	16,340
Maintenance and repairs	70,808	89,825
Insurance	46,395	37,436
Permits	44,021	41,910
Supplies	11,270	12,281
Directors' meeting and expenses	6,768	5,257
Elections	2,121	-
Legal and audit	42,825	41,433
Training and safety	6,561	5,259
Vehicle expenses	22,645	18,038
Tools	5,753	9,004
Sacramento Water Authority	19,032	13,738
Miscellaneous	50,393	7,078
Postage	7,480	7,799
Travel and meetings	5,440	3,556
Tuition reimbursement	185	105
Consulting services	19,377	1,520
Dues and memberships	3,722	6,006
Uniforms	4,419	4,099
Purchased power	3,172	3,144
Equipment lease	899	1,008
Bad debts	-	-
Water conservation	17,731	19,890
Janitorial and pest control	1,714	1,726
CIA ditch operations	-	938
	<u>806,335</u>	<u>690,001</u>
 Depreciation	 <u>829,781</u>	 <u>572,957</u>
 Total Operating Expenses	 <u>\$ 2,864,506</u>	 <u>\$ 2,722,783</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Sewer Fund

For the Fiscal Year Ended June 30, 2017

(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Service Charges:		
Sewer service - residential	\$ 1,185,170	\$ 1,202,062
Sewer service - commercial	121,256	123,526
Sewer availability charges	<u>380</u>	<u>560</u>
Total Service Charges	<u>1,306,806</u>	<u>1,326,149</u>
Other Charges:		
Sewer inspection fees	1,138	1,645
District project charges	2,184	2,719
Late charges	17,831	14,787
Transfer fees	<u>3,099</u>	<u>3,326</u>
Total Other Charges	<u>24,252</u>	<u>22,476</u>
Total Operating Revenues	<u>\$ 1,331,058</u>	<u>\$ 1,348,625</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Sewer Fund

For the Fiscal Year Ended June 30, 2017

(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Collections:		
Wages and salaries	\$ 104,419	\$ 80,982
Employer costs	44,992	42,543
Maintenance and repairs	62,733	35,453
Purchased power	16,231	14,586
Equipment rental	1,438	-
Supplies	4,944	(473)
Miscellaneous	-	-
	<hr/>	<hr/>
Total Collections	234,756	173,090
	<hr/>	<hr/>
Treatment and Disposal:		
Purchased power	112,859	103,775
Chemicals	29,083	24,980
Wages and salaries	141,484	107,793
Employer costs	62,657	58,269
Lab tests	14,182	14,983
Maintenance and repairs	90,156	81,268
Supplies	6,034	-
Equipment rental	1,319	8,359
Miscellaneous	-	2,120
	<hr/>	<hr/>
Total Treatment and Disposal	457,774	401,547
	<hr/>	<hr/>
General and Administrative:		
Wages and salaries	211,782	189,997
Employer costs	92,008	49,152
Communications	11,203	12,255
Maintenance and repairs	80,629	89,356
Insurance	27,024	23,136
Vehicle expenses	27,866	16,182
Supplies	9,611	10,138
Directors' meetings and expenses	6,787	4,014
Legal and audit	32,145	24,752
Training and safety	9,695	8,162
Permits	34,143	29,245
Miscellaneous	45,983	5,822
Postage	5,711	5,954
Tools	3,212	13,084
	<hr/>	<hr/>
Subtotal General and Administrative	597,798	481,249
	<hr/>	<hr/>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Sewer Fund

For the Fiscal Year Ended June 30, 2017

(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Subtotal General and Administrative:	\$ 597,798	\$ 481,249
Travel and meetings	4,543	3,131
Tuition reimbursement	-	-
Clerical Services	-	-
Consulting	5,059	-
Uniforms	4,588	4,282
Dues and memberships	6,684	7,319
Purchased power	2,422	2,400
Janitorial and pest control	2,416	1,726
Equipment lease	687	770
	<u>624,197</u>	<u>500,877</u>
Total General and Administrative	<u>624,197</u>	<u>500,877</u>
Depreciation	<u>609,394</u>	<u>611,008</u>
Total Operating Expenses	<u>\$ 1,926,120</u>	<u>\$ 1,686,522</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenue
Drainage Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Special Taxes:		
Drainage service - residential	\$ 157,629	\$ 157,116
Drainage service - commercial	<u>30,377</u>	<u>30,379</u>
Total Special Taxes	<u>188,006</u>	<u>187,495</u>
Other Charges:		
Transfer fees	<u>636</u>	<u>683</u>
Total Operating Revenues	<u><u>\$ 188,642</u></u>	<u><u>\$ 188,178</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Drainage Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Drainage:		
Wages and salaries	\$ 65,924	\$ 79,232
Maintenance and repairs	20,775	7,495
Purchased power	9,692	9,609
Employer costs	29,786	34,738
Equipment rental	1,319	-
Legal and audit	153	-
Chemicals	11,953	5,984
Improvements	1,209	380
Permits	6,513	5,223
Miscellaneous	1,093	2,956
	<u>148,418</u>	<u>145,616</u>
 Total Drainage		
General and Administrative:		
Wages and salaries	32,596	32,018
Employer costs	14,434	7,746
Communications	591	631
Insurance	5,550	4,752
Maintenance and repairs	7,257	7,569
Directors' meeting and expenses	1,394	824
Office supplies	1,256	1,288
Legal and audit	6,571	4,872
Postage	1,173	1,223
Miscellaneous	1,076	484
Travel and meeting	595	278
Memberships	373	623
Training and safety	457	734
Purchased power	497	493
Equipment lease	141	158
	<u>73,962</u>	<u>63,693</u>
 Total General and Administrative		
 Total Operating Expenses	<u>\$ 222,379</u>	<u>\$ 209,309</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenues
Solid Waste Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Service Charges:		
Solid Waste - residential	<u>\$ 644,477</u>	<u>\$ 638,522</u>
Total Service Charges	<u>644,477</u>	<u>638,522</u>
Total Operating Revenues	<u><u>\$ 644,477</u></u>	<u><u>\$ 638,522</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Solid Waste Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Solid Waste:		
Contract charges	\$ 559,864	\$ 557,728
E-Waste disposal cost	-	17,140
Miscellaneous	<u>35,132</u>	<u>34,732</u>
Total Solid Waste	<u>594,996</u>	<u>609,600</u>
General and Administrative:		
Wages and salaries	26,718	26,244
Employer costs	11,831	11,139
Travel-Meetings	488	228
Office supplies	1,029	1,056
Mail machine lease	116	130
Insurance	4,549	3,895
Postage	961	1,002
Professional services	9,372	8,158
Utilities	705	743
Maintenance and repairs	1,962	2,040
Miscellaneous	1,770	1,181
Directors' meeting and expenses	<u>870</u>	<u>676</u>
Total General and Administrative	<u>60,373</u>	<u>56,492</u>
Total Operating Expenses	<u>\$ 655,370</u>	<u>\$ 666,092</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenues
Security Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Special Taxes:		
Security service - residential	\$ 1,082,218	\$ 1,079,076
Security service - commercial	<u>179,055</u>	<u>179,069</u>
Total Special Taxes	<u>1,261,274</u>	<u>1,258,145</u>
Other Charges:		
Late charges	35,662	29,574
Transfer fees	7,335	7,874
Fines and permits	11,140	14,210
Other	<u>6,562</u>	<u>9,139</u>
Total Other Charges	<u>60,699</u>	<u>60,796</u>
Total Operating Revenues	<u>\$ 1,321,973</u>	<u>\$ 1,318,941</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Security Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Gate Services:		
Wages and salaries	\$ 283,797	\$ 293,441
Employer costs	181,327	174,920
Miscellaneous	41,542	3,640
Equipment repairs and maintenance	13,582	11,163
Supplies	4,986	9,863
Communications	4,279	4,586
Janitor and pest controls	3,437	3,477
Purchased power	7,731	8,800
Training and safety	240	-
Uniforms	3,040	1,447
	<u>543,961</u>	<u>511,338</u>
Total Gate Services		
Patrol Services:		
Wages and salaries	285,952	260,993
Employer costs	155,381	157,239
Vehicle fuel	13,572	12,127
Off-duty sheriff patrol	4,431	6,286
Vehicle maintenance	2,725	9,586
Uniforms	2,496	2,186
Miscellaneous	4,005	15,600
Cellular phone	4,291	3,920
Equipment repairs and maintenance	510	1,692
Janitor and pest control	5,128	1,841
Supplies	-	260
Travel/meetings	534	163
Training and safety	1,475	1,702
	<u>480,499</u>	<u>473,595</u>
Total Patrol Services		
General and Administrative:		
Wages and salaries	184,074	202,724
Employer costs	98,437	17,700
Insurance	18,471	15,814
Legal and audit	28,641	20,384
Supplies	10,680	12,229
Directors' meetings and expenses	4,639	2,744
Training and safety	2,983	1,695
Purchased power	1,655	1,641
	<u>349,579</u>	<u>274,930</u>
Subtotal General and Administrative		

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Security Fund
For the Fiscal Year Ended June 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)**

	<u>2017</u>	<u>2016</u>
Subtotal General and Administrative:	\$ 349,579	\$ 274,930
Communications	3,004	3,140
Equipment repairs and maintenance	25,419	25,422
Postage	3,903	4,070
Travel and meetings	1,980	924
Miscellaneous	10,434	6,238
Memberships	1,240	2,072
Equipment lease	469	526
Uniform	646	152
	<u>396,676</u>	<u>317,473</u>
Total General and Administrative		
Depreciation	<u>45,289</u>	<u>41,609</u>
Total Operating Expenses	<u>\$ 1,466,427</u>	<u>\$ 1,344,015</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2017**

<u>Actuarial Valuation Date</u>	<u>District's proportion of the net pension liability (asset)</u>	<u>District's proportionate share of the net pension liability (asset)</u>	<u>District's covered-employee payroll</u>	<u>District's proportionate share of the net pension liability (asset) (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Miscellaneous					
6/30/2014	0.08554%	\$2,114,104	\$1,777,986	118.90%	79.18%
6/30/2015	0.07967%	\$2,185,709	\$1,854,042	117.89%	81.69%
6/30/2016	0.07967%	\$2,776,304	\$1,844,259	150.54%	78.44%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2017**

<u>Actuarial Valuation Date</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employees payroll</u>	<u>Contribution as a percentage of covered employee payroll</u>
6/30/2014	\$222,235	(\$222,235)	\$0	\$1,777,986	12.50%
6/30/2015	\$250,997	(\$250,997)	\$0	\$1,854,042	13.54%
6/30/2016	\$269,924	(\$269,924)	\$0	\$1,844,259	14.64%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

LARRY BAIN, CPA

AN ACCOUNTING CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Board of Directors
Rancho Murieta Community Services District
Rancho Murieta, California

We have audited the Financial Statements of the Rancho Murieta Community Services District (District) as of and for the fiscal year ended June 30, 2017 and have issued our report thereon dated November 12, 2017. In our audit report we issued an unqualified opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Rancho Murieta Community Services District's Response to Findings

The Rancho Murieta Community Services District's separate written response to the significant deficiencies identified in our audit and any follow up for subsequent year corrections has not been subjected to the audit procedures applied in the audit of the financial statements and accordingly, we do not express an opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls over financial reporting and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the District's internal control over financial reporting accordingly this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Sacramento County Auditor Controller's Office and the Controller's Office of the State of California and is not intended to be and should not be used by anyone other than these specified parties.

Larry Bain, CPA,
An Accounting Corporation
November 12, 2017

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1
COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2017

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1
JUNE 30, 2017**

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LARRY BAIN, CPA

AN ACCOUNTING CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rancho Murieta Community Services District
Community Facilities District No. 2014-1
Rancho Murieta, California

We have audited the accompanying financial statements of the governmental activities and the major fund of Rancho Murieta Community Services District, Community Facilities District No. 2014-1 (CFD 2014-1), a component unit of the Rancho Murieta Community Services District, as of and for the fiscal year ended June 30, 2017, which collectively comprise the CFD 2014-1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Rancho Murieta Community Services District, Community Facilities District No. 2014-1 as of June 30, 2017, and the respective changes in financial position, thereof for the fiscal year then ended in conformity with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The CFD 2014-1 has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information

We have also issued our report dated November 22, 2017 on our consideration of the CFD 2014-1's internal control over financial reporting. That report should be read in conjunction with this report in considering our audit.

Larry Bain, CPA,
An Accounting Corporation
November 22, 2017

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**STATEMENT OF NET POSITION
JUNE 30, 2017**

Current Assets		
Cash and investments	\$	509,388
Assessments receivable		40,480
Interest receivable		217
Prepaid expense		1,550
Due from other government		5,642
Noncurrent assets		
Restricted cash and investments		487,551
Special assessment receivables		5,568,409
Total Assets	\$	<u>6,613,237</u>
Liabilities		
Current		
Accounts payable	\$	9,542
Accrued interest payable		87,187
Total Current Liabilities		<u>96,729</u>
Noncurrent		
Special assessment debt		<u>5,960,000</u>
Total Liabilities		<u>6,056,729</u>
Net Position		
Restricted		<u>556,508</u>
Total Net Position	\$	<u>556,508</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**STATEMENT OF ACTIVITIES
JUNE 30, 2017**

	Expenses	Program Revenues Capital Grants and Contributions	Total
Governmental Activities:			
Community facilities district	\$ 26,239	\$ 81,172	\$ 54,933
Interest expense	261,560		(261,560)
Total Governmental Activities	\$ 287,799	\$ 81,172	(206,627)

General Revenues:

Other revenue	24,732
Investment income	1,115
Total general revenues	25,847
Change in net position	(180,780)
Net position - beginning	737,288
Net position - ending	\$ 556,508

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

Assets

Current

Cash and investments	\$ 509,388
Assessments receivable	40,480
Interest receivable	217
Prepaid expense	1,550
Due from other governments	5,642

Non-Current

Restricted cash and investments	487,551
Accounts receivable:	
Special assessments	5,568,409

Total Assets	\$ 6,613,237
--------------	--------------

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities

Accounts payable	\$ 9,542
Total Liabilities	9,542

Deferred inflows of resources:

Unavailable revenues-special assessments	5,568,409
Total Deferred Inflows of Resources	5,568,409

Fund Balance

Fund balances	
Restricted for CFD # 2014-1	1,035,286
Total Fund Balance	1,035,286
Total Liabilities Deferred Inflows of Resources and Fund Balance	\$ 6,613,237

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund Balances of Governmental Funds	\$ 1,035,286
Amounts reported for governmental activities in the statement of net position are different because:	
Certain revenues are not available to pay for current period expenditures and therefore are not reported in the funds.	5,568,409
Certain liabilities, including long-term debt and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	<u>(6,047,187)</u>
Net position of governmental activities	<u><u>\$ 556,508</u></u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues		
Tax and assessments	\$	81,172
Other revenue		24,732
Investment income		1,115
Total Revenues		<u>107,019</u>
Expenditures		
Current:		
Administration		26,239
Debt Service		
Principal		-
Interest		261,560
Total Expenditures		<u>287,799</u>
Net Change in Fund Balance		<u>(180,780)</u>
Fund Balance, July 1, 2016-Restated		<u>1,216,066</u>
Fund Balance, June 30, 2017		<u><u>\$ 1,035,286</u></u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Net Change in Fund Balances - Total Governmental Funds	\$ (180,780)
Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	-
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	-
The change in accrued interest is recorded as a current liability in the statement of activity, however interest expense is recorded when paid in the governmental funds.	-
Change in net position of governmental activities	<u>\$ (180,780)</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rancho Murieta Community Services District, Community Services District No. 2014-1 conform to accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA), as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the CFD 2014-1's accounting policies are described below.

A. Financial Reporting Entity

The Rancho Murieta Community Services District, Community Facilities District No. 2014-1 (Rancho North/Murieta Gardens) was formed on September 5, 2014, by resolution of the Rancho Murieta Community Services District's Board of Directors for the sole purpose of acquiring and constructing water facilities that will benefit the inhabitants within the Rancho Murieta Community. In order to finance the expansion of water facilities, special tax bonds totalling \$5,960,000 were issued pursuant to the Mello-Roos Community Facilities Act of 1982.

During the 2016/17 fiscal year, the new water facility was paid for with CFD 2014-1 bond proceeds and transferred to the Rancho Murieta Community Services District. Additional construction costs were funded by developers under financing agreements and by the Rancho Murieta Community Services District.

The CFD 2014-1, a component unit of Rancho Murieta Community Services District, is a legally constituted governmental entity governed by the Board of Directors of the Rancho Murieta Community Services District. The financial records of the CFD 2014-1 are maintained by the Rancho Murieta Community Services District staff.

The financial statements present only the financial position and changes in financial position of the CFD 2014-1 and are not intended to present fairly the financial position of Rancho Murieta Community Services District and the changes in its financial position in conformity with accounting principles generally accepted in the U.S.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities include the financial activities of the overall CFD 2014-1 government. The CFD 2014-1 does not have any business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the CFD 2014-1's activities. Direct expenses are those that are specially associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the CFD 2014-1's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental Funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*.

The CFD 2014-1 considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when related fund liability is incurred, except for principle and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the CFD 2014-1 gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations, are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the CFD 2014-1 funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. The CFD 2014-1's policy is to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

D. Budget and Budgetary Accounting

The CFD 2014-1 is not required to adopt an annual appropriated budget but does, however, adopt a budget for management purposes. Therefore, no budgetary comparison is required.

E. Restricted Assets

CFD loan assets as well as certain resources set aside for loan repayment, are classified as restricted assets on the balance sheet because their use is limited by loan covenants.

F. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This financial statement element represents revenues associated with assessments receivables that will not be recognized until future periods.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Net Position/Fund Equity

Government-wide Financial Statements

Restricted Net Position - This amount consists of amounts restricted from external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net position”.

Fund Financial Statements

Fund Equity - Restricted fund balance of the governmental fund is created to satisfy the debt covenant reserve, not available for future expenditures. The assigned fund balance is the amount needed to make the current portion of the debt service payment and the unassigned portion is the remaining amount not restricted or assigned.

NOTE 2: CASH AND INVESTMENTS

Deposits with financial institutions	\$ 509,388
Investments	487,551
	<hr/>
Total cash and investments	\$ 996,939
	<hr/> <hr/>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

A. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the **investment types** that are authorized for the Rancho Murieta Community Services District Community Facilities District No. 2014-1. (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

B. Investments Authorized by Debt Agreements

Investments held by trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The Table below identifies the investment types that are authorized for investments held by trustees. The table also identifies certain provisions of the debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Investment pools authorized under CA			
Statues governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Account	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Money Market Accounts	N/A	None	None

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>	
		<u>12 Months or Less</u>	<u>13-48 Months</u>
Treasury funds	\$ 487,551	\$ 487,551	\$ -
Totals	<u>\$ 487,551</u>	<u>\$ 487,551</u>	<u>\$ -</u>

*Not subject to categorization

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfil its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>	
				<u>AAA</u>	<u>Not Rated</u>
Treasury funds	\$ 487,551	N/A	\$ -	\$ 487,551	\$ -
Total investments	<u>\$ 487,551</u>		<u>\$ -</u>	<u>\$ 487,551</u>	<u>\$ -</u>

E. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than money market fund reserve) that represent 5% or more of total District investment.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

F. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2017, \$260,937 of the District's deposits with financial institutions were in excess of federal depository insurance limits required to be held in collateralized accounts.

NOTE 3: SPECIAL ASSESSMENTS RECEIVABLE

The CFD 2014-1 will start levying Assessments against property owners during the 2016/17 fiscal year. The assessments will be collected through the secured property tax rolls of the County of Sacramento. Assessments receivable represent the amounts to be assessed to the property owners to pay bond principle. In the event property owners are delinquent in their payments, the CFD 2014-1 is required to initiate foreclosure proceedings within 150 days following the date of delinquency. There were no delinquent assessment receivables at June 30, 2017. The CFD 2014-1 will refer pending delinquency cases to the CFD 2014-1's legal counsel for collection.

At June 30, 2017 the CFD 2014-1 held \$53,936 remaining in a special tax fund for the payment of accrued interest on the special assessment bonds. These funds were collected and deposited as part of the debt issuance.

NOTE 4: SPECIAL ASSESSMENT DEBT

The Rancho Murieta Community Services District adopted a resolution for the formation of Rancho Murieta Community Services District Community Facilities District No. 2014-1 (Rancho North/Murieta gardens) ("CFD No. 2014-1"). CFD No. 2014-1 was formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support development of a hotel, commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries of CFD No. 2014-1. On January 29, 2015 bonds in the amount of \$5,960,000 were issued to finance the costs of the Facilities and to finance costs associated with the issuance of bonds. During the 2014-15 fiscal year a special tax was approved by voters and has been authorized by the Board of Directors to be levied on lots and parcels within CFD No. 2014-1 commencing with the fiscal year 2016-17 fiscal year tax levy. Proceeds from the Special Tax will be used to repay the bonded indebtedness and associated costs and to pay directly for the acquisition or construction of authorized Facilities.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4: SPECIAL ASSESSMENT DEBT (CONTINUED)

\$5,960,000 CFD 2014-1 bonds are due in annual payments of \$154,029 to \$391,560 through September 1, 2044, with interest at 4.4% per annum (payable from revenues generated through ad valorem tax assessed by the CFD 2014-1 against properties located within the boundaries of the CFD 2014-1.)

Long-term liabilities activity for the fiscal year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within One Year
Special Assessment Debt Series 2014-1	\$ 5,960,000	\$ -	\$ -	\$ 5,960,000	\$ -
Total	<u>\$ 5,960,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,960,000</u>	<u>\$ -</u>

Debt service requirements to maturity are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2018	\$ -	\$ 261,560	\$ 261,560
2019	130,000	261,560	391,560
2020	130,000	258,310	388,310
2021	135,000	254,735	389,735
2022	140,000	250,685	390,685
2023-2027	775,000	1,179,810	1,954,810
2028-2032	935,000	1,015,613	1,950,613
2033-2037	1,170,000	776,389	1,946,389
2038-2042	1,480,000	470,488	1,950,488
2043-2045	1,065,000	102,597	1,167,597
Totals	<u>\$ 5,960,000</u>	<u>\$ 4,831,747</u>	<u>\$ 10,791,747</u>

NOTE 5: RESERVE FOR BOND SERVICE

By the terms of the bond indenture, \$391,602 of the proceeds from the bond issue have been set aside for the purpose of paying any delinquent bond interest and principle payments. An additional \$283,399 was set aside as a source of funds to pay interest expense on the loan, prior to the CFD receiving assessment income.

LARRY BAIN, CPA

AN ACCOUNTING CORPORATION

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894

lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Board of Directors
Rancho Murieta Community Services District
Community Facilities District No. 2014-1
Rancho Murieta, California

We have audited the Financial Statements of the Rancho Murieta Community Services District CFD No. 2014-1) as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated November 22, 2017. In our audit report we issued an unqualified opinion. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered CFD 2014-1's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CFD 2014-1's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the CFD 2014-1's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls over financial reporting and the result of that testing, and not to provide an opinion on the effectiveness of the CFD 2014-1's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the CFD 2014-1's internal control over financial reporting accordingly this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Sacramento County Auditor Controller's Office and the Controller's Office of the State of California and is not intended to be and should not be used by anyone other than these specified parties.

Larry Bain, CPA,
An Accounting Corporation
November 22, 2017

MEMORANDUM

Date: December 11, 2017
To: Board of Directors
From: Mark Martin, General Manager
Subject: Consider Approval of the Rancho Murieta Revised Master Trail Plan

RECOMMENDED ACTION

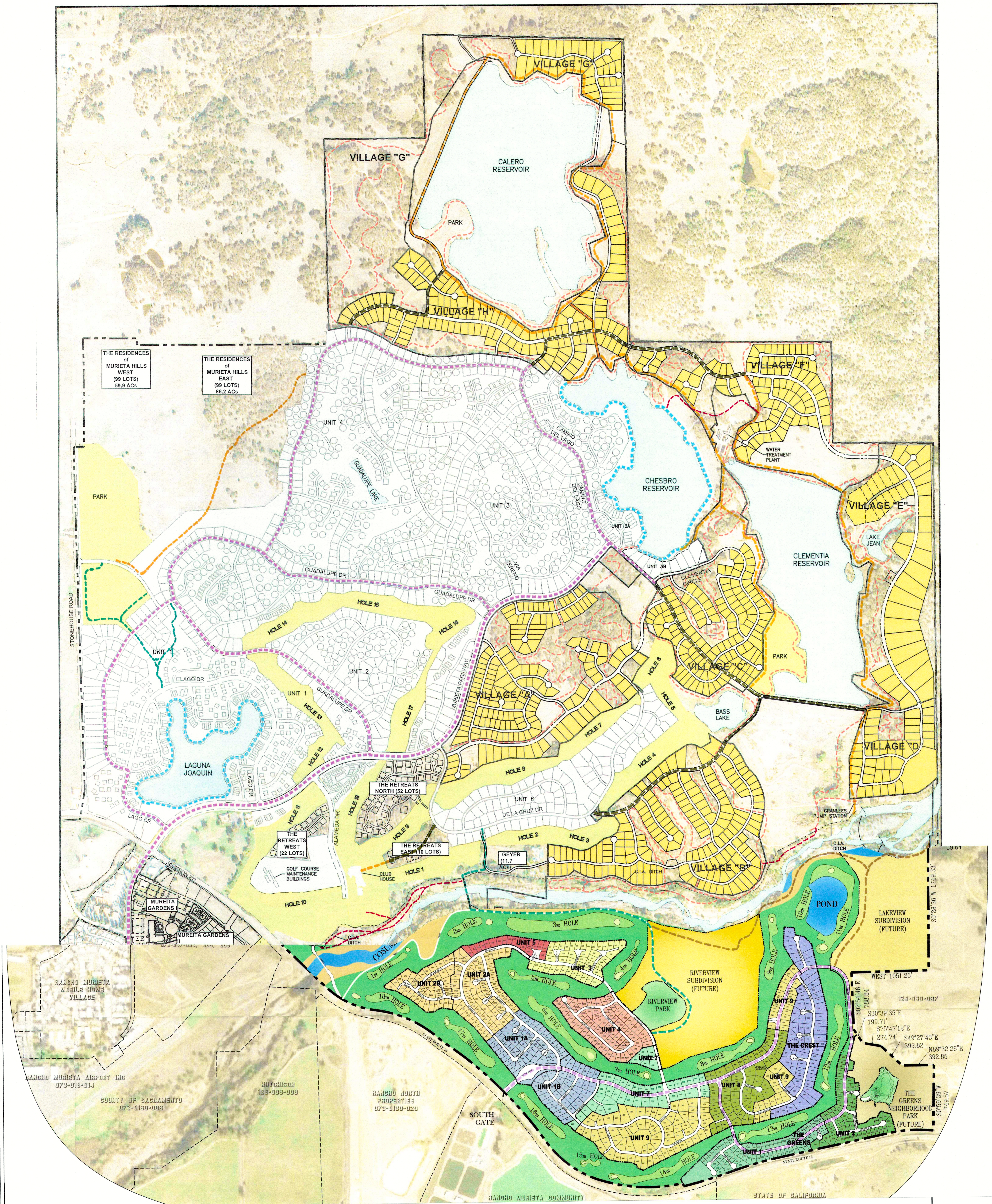
Provide direction to the District's Parks Committee Representative.

BACKGROUND

The Master Trail Plan was approved in September 2017 by the Rancho Murieta Association (RMA) Board of Directors. It was then presented to the District's Board for approval at its September 20, 2017 meeting, where the Board took no action as it felt the map was incomplete. After discussion between representatives of RMA and the District, several additional natural and paved trails were added to the map. After these additions, both groups of representatives agreed they would support passage of the map.

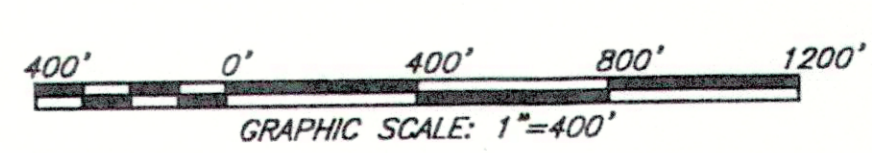
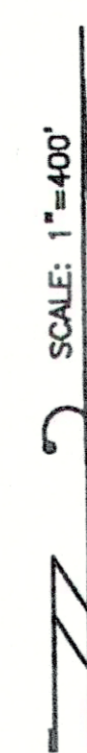
The map went back to the RMA Board in November 2017 and was approved. The RMA Parks Committee representatives were instructed to vote to approve the Master Trail Plan at the next Parks Committee meeting. The action before you is to direct the District's Parks Committee representative on how to vote on the revised Master Trail Plan at the next Parks Committee meeting.

A copy of the revised Master Trail Plan approved by the RMA Board of Directors is attached.



LEGEND

- PROPOSED RANCHO MURIETA NORTH**
- EXISTING PARKS/RMA AND GOLF COURSE/CLUB HOUSE**
- RIVER/LAKES**
- EXISTING DEVELOPED AREAS**
- PROPOSED NATURAL TRAILS 17.5 MILES**
- EXISTING RECREATIONAL TRAILS**
- EXISTING CONNECTIVE BIKE LANE 6.0 MILES**
- PROPOSED PAVED OFF-STREET TRAILS 6.5 MILES**
- PROPOSED ON-STREET TRAILS**
- PROPOSED SOUTH OFF-STREET TRAILS**
- EXISTING PAVED TRAIL**



PROPOSED TRAIL PLAN FOR RANCHO MURIETA

AUGUST, 2015

BW BAKER-WILLIAMS ENGINEERING GROUP
 Engineering / Surveying / Land Planning / Entitlement Processing / GPS Services
 6020 Rutland Drive, Suite 110 - Camarillo, CA 93015
 (805) 351-4200 - fax (805) 351-4642 - info@bwengineering.com

MEMORANDUM

Date: December 15, 2017
To: Board of Directors
From: Mark Martin, General Manager
Subject: Continue Discussion and Consideration of Potential Acquisition of Rancho Murieta Country Club Golf Course and other Assets, Open Space and Trail Areas, and New Community Recreational Amenities – Recreation Goals and Objectives, Project Vision, and Stakeholder Outreach

RECOMMENDED ACTION

Discuss District recreation goals and objectives, draft project vision, and outreach to community stakeholders, nominate two (2) Directors to participate in outreach, and provide direction to staff.

BACKGROUND

This item is a continued discussion from the November 15, 2017 Board meeting on the merits of a potential acquisition by the Community Services District (District) of the Rancho Murieta Golf Course lands, facilities and other assets, open space areas around the reservoirs, and potential construction and operation of additional community facilities such as a community pool, fitness center and community center.

At the November Board meeting, a presentation was provided outlining a range of possible approaches to the golf club and open space lands purchase, including the potential construction of other recreational community amenities. From Board feedback, a range of open space options remained, from purchase of all residential lots in Villages D through H, to a more constrained scenario, where only those parcels directly east and impacting the watersheds of Lakes Chesbro and Clementia would be considered for open space purchase. Although staff believes District acquisition of the Golf Club lands and facilities is a fairly straightforward component of the project parameters, more work exists to further refine the proposed open space range of options and specifics of potential new community amenities.

Nonetheless, before further refining project parameters, the Board agreed for this December meeting to focus on the general topic of District recreational goals and objectives. A motion was adopted to define District recreation goals and objectives as guiding principles and set a vision for what the District is attempting to achieve through the project along with how to reach out to stakeholders.

Shortly following the November meeting, staff requested and received feedback from Directors on new goals they would like to offer or revisions they would recommend to the goals stated in the 1989 Park and Recreation Master Plan. The feedback is provided within this report.

DISCUSSION

The following motion was adopted at the November 15 Board meeting:

“To set a (draft) vision of what we are intending to achieve with this acquisition including (community) recreation goals and objectives, writing them down on paper from not only the District’s standpoint but in the context of the other entities involved which means discussion with the landowners and cooperating entities to

formulate a plan for the entire community. Consider the polling of residents to figure out and understand what we are looking at, what we are thinking about and what they are willing to pay.”

Goals and Objectives

During the October 2017 Board meeting discussion on this topic, Director Clark advised that the District should first establish Public Recreation Goals and Policies as the foundation to justify and allow purchase and operation of the golf and open space properties as proposed.

As discussed last month, Chapter 23 of the District’s Code is reserved for Public Recreation (Parks/Recreation) but as of this date has not been implemented. In 1989, a Park and Recreation Master Plan was prepared for the District by Imai-Wang Associates containing a number of recreation-minded goals.

Although recognizing it is a priority of the Board to establish recreation goals, it is important to consider how the District’s role, as conceived and offered in the 1989 Park and Recreation Master Plan, differs significantly from the role it performs today.

To start with, the 1989 plan envisioned the District taking a more traditional parks district role, overseeing acquisition and construction of lands and facilities along with provision of recreational services and activities. However, in 1990 and 1991, the District, RMA, and certain landowners entered into park development agreements, with certain primary obligations and responsibilities, creating the framework for recreational lands/facilities/services that largely exists today. These obligations, by entity, are as follows:

RMA

1. Receive park development fees paid by developers and establish and maintain a park development fund;
2. Construct park facilities as described in the Parks Matrix;
3. Pay a financial contribution to the fund for each landowner fee payment.

Although not a component of the park development agreements, it should be noted that RMA has maintained responsibility for park maintenance and activities.

District

1. Require park site developments to participate in the District water supply augmentation program and pay the augmentation fee;
2. Reserve sufficient water supply for park site development;
3. Not include as a component of its community facilities fee, the component costs of park acquisition or development.

Landowners

1. Convey various park sites to RMA through the subdivision process;
2. Construct certain pedestrian and bike trail system improvements and convey;
3. Finance park improvements and pay fees according to the park financing plan;
4. Pay certain fees to RMA at the time of annexation into RMA.

The agreements also established a Park Committee authorized to:

1. Review and approve park and pedestrian/bike trail improvement plans;
2. Review proposed planned development ordinance amendments for consistency with the parks agreements;
3. Modify the location of park sites;
4. Review and approve fee credits for landowner-constructed improvements.

Excepting the Rancho Murieta Country Club (RMCC) and Murieta Village, the above generally describes the present role of major Rancho Murieta stakeholders in the provision of parks and recreation facilities and services within the Community. With this in mind, we can assess what changes would need to occur to the District's primary function to accommodate whatever recreation goals are adopted by the Board.

Draft District Community Recreation Goals, Objectives, Policies (Director Clark)

Director Clark offers the following draft goals *in lieu of* the 1989 plan document goals:

1. To facilitate provision of community desired (by majority of residents) and financially feasible recreational elements, in coordination with existing recognized (designated?) Recreation and Park Authority (Parks Committee). [see Sac County Ordinance 84-737]^{1 2}
 - a. "C-4. Other Recreational Facilities. Major recreational amenities such as the golf courses, country club, tennis courts and equestrian center are integral parts of the Master Plan. Other recreational amenities such as the par course, the temporary swimming beach and the field and diamond sports areas are not shown on the Master Plan, but will be integrated into the development upon approval of the Department of Planning and Community Development. Policies related to recreational pathways and the Cosumnes River natural parks are set forth in other parts of this resolution."
 - b. "D-2. Maintenance of Open Space. The common open areas, including all areas between individual lots, shall be owned and maintained by the Homeowners Association. The natural setting in open space areas shall be maintained in a natural condition. It is contemplated that removal of litter and reduction of fire hazards fall with the definition of maintenance of natural condition."
2. To establish clear definitions and distinctions between, Parks, Open Space, and 'Additional Recreational Amenities/Services', in collaboration with RMA and Parks Committee.
3. To establish clear jurisdictional areas of authority relating to Community Recreation in collaboration between RMA, Parks Committee and the District. This should include consideration of Sacramento County and LAFCO positions, and the RM Master Plan and PD Ordinance for the community.³
4. To promote recreational and related activities that appeal to the physical, mental, social, and cultural interests of a majority of the Rancho Murieta residents on a fair, equitable and affordable fee basis. Required funding for such activities should be clearly defined and presented to the community for consideration in a community election.

5. To facilitate a comprehensive citizen involvement program that promotes and encourages participation by individuals and community organizations.
6. To seek ideas for additional community recreational opportunities directly from the residents of Rancho Murieta, identify issues and costs that may be associated with provision of those opportunities, and allow the community residents to vote on the provision and funding thereof.
7. To promote maximum cooperation among governmental and private agencies in order to provide services and facilities through joint agreements in planning, reciprocating, and consolidating of resources that would benefit all segments of the community.
8. To promote utilization of immediately surrounding open space preserves available in effort to not unnecessarily duplicate already available opportunities. To identify and communicate those opportunities to Rancho Murieta residents.
9. To promote the development/improvement of the Sacramento County Regional park lands along the Cosumnes River by acting in concert with other community organization in petitioning Sacramento County to improve the site for open space uses.
10. To facilitate provision of Recreational opportunities within Rancho Murieta Community, that is otherwise provided by Sacramento County through property taxes, to other areas of unincorporated Sacramento County.
11. To coordinate park site acquisition, development, and recreation programs with the homeowners' associations at Rancho Murieta, the RM Parks Committee, Rancho Murieta Country Club, and the Sacramento County Parks and Recreation Department.
12. To facilitate provision of a multi-use trail and parkway system by coordination with RMA, and other Home Owners Associations, project developers, and Sacramento County Planning Department and Board of Supervisors.
13. To retain the existing quality of life in Rancho Murieta through collaborative facilitation of the proper preservation, planning, and development of park and recreation facilities.

¹ See Update Master Plan 1984 by Sacramento County Ordinance 84-737
<https://www.ranchomurietacsd.com/files/cbd4758b2/Master+Plan+Update+1984.pdf>

² See Park development Agreement Feb 1991
<https://www.ranchomurietacsd.com/files/988b5356f/Park+Development+Agreement++2-21-91.pdf>

³ See Strategic Plan – 2004
<https://www.ranchomurietacsd.com/files/0fb06c559/strategic+plan+final+7-04.pdf>

1989 Park and Recreation Master Plan - Goals

Below are the recreation goals from the 1989 plan. Comments received on these goals were few, including a comment that the Park Committee now serves the function identified under Item 19 - "...encourage the

development of sidewalks...”, and to emphasize the recreation goals should provide for leisure skills and healthy activities. A comment was made about the applicability of some of these goals given the context of how recreational facilities and activities are presently provided within the community.

1. To preserve open space for present and future recreational needs utilizing the natural resources available.
2. To protect and preserve the natural habitats, including the oak woodlands and riparian areas, unique to Rancho Murieta for the enjoyment and use of existing and future residents.
3. To require the dedication of sufficient park lands and open space corridors associated with new development in an orderly manner.
4. To coordinate existing open space and parks with future open space and parks, maintaining a balance between active and passive recreational opportunities.
5. To plan for a park system which shall serve the needs of all ages and interest groups within the community.
6. To coordinate park site acquisition, development, and recreation programs with the Elk Grove School District, the homeowners' associations at Rancho Murieta, the Rancho Murieta Country Club, and the Sacramento County Parks and Recreation Department.
7. To preserve open space for present and future recreational needs utilizing the natural resources available.
8. To protect and preserve the natural habitats, including the oak woodlands and riparian areas, unique to Rancho Murieta for the enjoyment and use of existing and future residents.
9. To require the dedication of sufficient park lands and open space corridors associated with new development in an orderly manner.
10. To coordinate existing open space and parks with future open space and parks, maintaining a balance between active and passive recreational opportunities.
11. To plan for a park system which shall serve the needs of all ages and interest groups within the community.
12. To coordinate park site acquisition, development, and recreation programs with the Elk Grove School District, the homeowners' associations at Rancho Murieta, the Rancho Murieta Country Club, and the Sacramento County Parks and Recreation Department.
13. To provide a balanced capital improvement program for park and recreation facilities within the District to serve the needs of its residents.
14. To provide a level of park facility and equipment maintenance that meets acceptable standards for the safe operation and usage by residents, guests, and staff.

15. To retain the existing quality of life at Rancho Murieta through the proper preservation, planning, and development of park and recreation facilities.
16. To provide adequate neighborhood park facilities within walking distance of each resident of the community.
17. To provide adequate community park and recreation facilities within the community.
18. To meet the acceptable park and recreation standards by providing at least five acres of developed (neighborhood and community) parks for every 1,000 residents of the community.
19. To encourage the development of sidewalks on at least one side of the street in all newly developed areas to assist the trails system.

Draft Project Vision (Director Merchant)

Although goals are the primary focus of this month's meeting, part of the motion from the November meeting was to produce a draft vision. Director Merchant offers the following draft project vision for your consideration and discussion:

1. Conduct a series of meetings and public hearings and engage with stakeholder groups (RMA, RMCC, and RM North LLC). Develop goals, an implementation plan and a price for the District's acquisition of various open space and golf course parcels inside Rancho Murieta.
2. Ensure that stakeholder entity ownership and operations (RMA, RMCC and the District) reflect the interests of the Rancho Murieta Community. Open spaces should be owned in a way that preserves it for the enjoyment of the residents in perpetuity. The golf courses should be owned in a way that ensures ownership will be maintained within the community, and not by outside, private ownership.
3. "Community Memberships" would be granted to each private home within the District. Members choosing to be "golf members" will amortize the cost of golfing operations among themselves. Golf members will choose to allow some public play or tournament play among themselves. This will allow golf members the ability to control the actual cost of play.
4. Open spaces will be owned by the District and administered by the RMA. RMA will pay security fees, insurance and other necessary administrative costs. It is envisioned that this property will serve as both a water quality buffer and passive trail area utilized by walkers, runners and bikers. No other recreational activities (parks and park infrastructure are anticipated in these areas. RMA will take responsibility for trail management (this may be volunteer managed).
5. A bond or other financial instrument will fund the acquisition of lands and facilities and improvement of infrastructure at the RMCC to allow for an expansion of activities presently provided by RMCC (pool, exercise facility, etc.).
6. Success is measured in the preservation or improvement in home values within the community. Acquisition allows for diverse lifestyles inside a self-contained community. Rancho Murieta will not

be impacted by outside ownership of its facilities and/or the destruction of its lifestyle by future development. Rancho Murieta will continue to be managed by its residents, who occupy board of director positions on its managing entities. Development will be tailored to this lifestyle (and acquisition) through a renegotiated MBA or similar document.

Outreach to Stakeholders

Both the RMA and RMCC recently seated new board members. At this meeting, District Directors are asked to opine on an approach for outreach to stakeholder groups going forward and nominate two (2) Directors to participate in the outreach effort.

MEMORANDUM

Date: December 13, 2017
To: Board of Directors
From: Improvements Committee Staff
Subject: Adopt Ordinance O2017-02 Amending District Code Chapter 8, Concerning Community Facilities Fees

RECOMMENDED ACTION

Adopt Ordinance O2017-02 amending District Code Chapter 8, concerning Community Facilities Fees.

BACKGROUND

At the September 20, 2017 District Board meeting, following the planned approval of the updated Fee Report, the Board of Directors agreed to allow John Sullivan to submit his comments regarding the Water Supply Augmentation and Capital Improvement Fee Study no later than the start of the October 3, 2017 Improvements Committee meeting.

At the October 3, 2017 Improvements Committee meeting, John Sullivan commented on his concerns regarding the allocation of projected costs for the Capital Improvement Fee update and for the overall Water Supply Augmentation Fee. After a discussion, the Committee directed staff and Coastland Engineering to review the list of concerns Mr. Sullivan provided to the Committee.

Since then, Coastland and staff met twice with Mr. Sullivan concerning his comments and concerns. We spent many hours addressing and providing response to his concerns. Some, perhaps not all, of his concerns have been addressed. Nevertheless, the attached report reflects the District's best effort to address Mr. Sullivan's concerns as well as maintain the guidance directed by the Board to prepare the final report.

The report was again reviewed at the November 7, 2017 Improvements Committee meeting. Some new clarifications and additions were suggested which will be included in the final report. As a result, the Improvements Committee recommended approval of the report.

The first reading of Ordinance O2017-02 occurred at the November 15, 2017 District Board meeting.

This is the second and final reading. No public comment or opposition has been received.

ORDINANCE NO. O2017-02

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT AMENDING DISTRICT CODE CHAPTER 8 CONCERNING COMMUNITY FACILITIES FEES

The Board of Directors of the Rancho Murieta Community Services District hereby ordains as follows:

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this ordinance is to update and increase the District Water Supply Augmentation and Community Facilities Fees (“Fees”) based on the costs of planned utility system and other capital improvements and expansions as appropriate to meet the service and facility needs of new development. This ordinance is adopted pursuant to Government Code sections 54344, 54350, 61115(a)(1), 61123(a), 66013, 66016, and 66022, and other applicable law.

SECTION 2. FINDINGS. The Board of Directors finds and determines as follows:

(a) The District currently levies and collects the Fees pursuant to District Code chapter 8. The District retained Coastland Civil Engineering to evaluate and update the Fees and the related capital improvement projects and plans. As a first step in this work, Coastland researched, evaluated, and prepared three Technical Memoranda: a TM dated September 8, 2017 concerning Development Projects and EDU Calculation Summary; a TM dated June 27, 2017 concerning Water Supply Augmentation Project - Recycled Water Program; and, a TM dated August 29, 2017 concerning Facility Capital Improvement Projects. Coastland then prepared the Water Supply Augmentation Fee and Facilities Capital Improvement Fee Study Update dated November 8, 2017 (the “2017 Fee Report”), which recommends increases in the Fees. The 2017 Fee Report (together with the technical memoranda that are appendices to the report) also describes and estimates the capital costs of the water, sewer, drainage, and security capital improvements and expansion that are necessary and appropriate to serve the anticipated service needs and demands of new development. By this ordinance, the Board accepts and approves the 2017 Fee Report.

(b) With the current fee amounts, the present and future funds and revenues of the District are and will be inadequate to fund the necessary utility and security system improvements to serve new development in the District. The most fair and equitable method of ensuring that new development pays its fair share of the costs of capital improvements to expand District facilities and capacity is through the imposition of fees that are payable upon connection to the District utility system. This approach will ensure that all future connections pay the cost of improvements necessitated by the expanded demand for capacity in the utility and security systems.

(c) The purpose of the adjusted Fees is to fund water, sewer, drainage, and security system facility improvements and expansion needed to provide service to new development and utility connections within the District.

(d) New development and utility connections in the District will result in increased use of and burdens on existing facilities. Without improvements to its existing system facilities, the new development will adversely impact the District’s ability to continue providing an adequate level of utility and security service to existing development and residents within the District while also serving new development.

(e) The need for capital facilities improvements in the District is caused by all types of development because all new development contemplated in the District (whether residential, commercial or other) will require new utility and security service and, therefore, all new development will result in increased use of and burdens on the District's utility and security system facilities.

(f) There is a reasonable relationship between use of the Fees revenue and new residential, commercial and other development projects in the District, because (1) the District will have adequate revenues and funds available to pay for facilities improvements and expansion necessary or appropriate to serve all requested new connections with the adequate utility and other services, (2) the owners, residents, and other users of the new development will benefit from the availability of utility and other services, and (3) all of the new development contemplated in the District will require and benefit from District water, sewer, drainage and security services.

(g) There is a reasonable relationship between the need for utility and security facilities in the District and improvements necessary or appropriate to serve new residential, commercial and other development projects because the new development will place a burden on the limited capacity of the existing system, adversely impact the District's ability to adequately and safely serve both the existing property owners and residents and new development in the District, and thereby cause a need to expand the systems to serve the new development.

(h) As demonstrated in the 2017 Fee Report, there is a reasonable relationship between the amount of the Fees established by this ordinance and the portion of the total cost of the needed improvements attributed to new development projects because (1) costs and fees are allocated based on a fair dwelling unit/equivalent dwelling unit basis as described in Fee Report Appendix B such that the costs are reasonably allocated based on the anticipated service demand from new development projects, and (2) the Fees charged to a particular new development or construction project will not exceed the total estimated reasonable costs of the utility and security facilities and improvements needed to serve that project.

(i) The purpose of the Water Supply Augmentation Fee continues to be the funding of improvements to provide an additional water supply to meet the water supply needs of new development. However, with this ordinance, the means of attaining that objective change from the development and installation of new groundwater supply wells to the development and construction of an expanded recycled water system. The delivery of recycled water to additional non-potable uses (made possible through the development of recycled water improvements) frees up additional treated water to serve the needs of new development. The Board finds and determines that funding the recycled water system improvements as a means to generate additional treated water capacity is preferable to, and more efficient than, the development and installation of new groundwater wells. The current Water Supply Augmentation Fee balance shall be used and redirected toward the recycled water improvement projects as described in the 2017 Fee Report and appendices.

(j) The District Board of Directors noticed and conducted a public hearing on the 2017 Fee Report and this proposed ordinance in accordance with legal requirements. The 2017 Fee Report and this ordinance have been available for public inspection, review and copying for at least 10 days prior to the date of the public hearing in accordance with Government Code section 66016.

(These findings are based on the 2017 Fee Report (including the appendices), District utility system master plans, other supporting documents in the District's files, and testimony and other information received at the public hearing on this matter.)

SECTION 3. CHAPTER 8 AMENDMENTS. Section 3.00 of District Code Chapter 8 is amended to read as follows:

SECTION 3.00 COMMUNITY FACILITIES AND OTHER FEES

3.01 Community Facilities Fees Established

The District approves, adopts, and continues in effect (a) the following Community Facilities Fees as described below and in the Water Supply Augmentation Fee and Facilities Capital Improvement Fee Study Update dated November 8, 2017 ("2017 Fee Report") - Water Capital Improvement Fee, Sewer Capital Improvement Fee, Drainage Capital Improvement Fee, Security Capital Improvement Fee, and Water Supply Augmentation Fee, and (b) a Community Park Fee. The fees in this section shall apply to the construction of any new building or structure in the District that requests District water or sewer service.

3.02 Deposit and Use of Fees

The General Manager or his or her designee shall deposit the Community Facilities Fees revenue in separate capital facilities funds (one for each fee type) and account for each fee in a manner to avoid any commingling with other District moneys or funds (except for inter-fund borrowing). Any interest income earned from the investment of moneys in a fee fund shall be deposited in that fund. The District, by resolution adopted by its Board of Directors, may approve the temporary inter-fund borrowing and investments among the fee funds and other District funds. The fee funds, and interest earned on the funds, shall be expended solely for: (a) the uses and purposes described in the 2017 Fee Report and appendices; (b) reimbursing the District for a development's fair share of any public facilities described in the 2017 Fee Report that are constructed or provided by the District; (c) reimbursing a developer who previously constructed or provided public facilities of a type described in the 2017 Fee Report and where those public facilities were beyond that needed to serve the needs of the developer's project; or (d) such other use as authorized by resolution of the District Board of Directors.

3.03 Time of Payment

The Community Facilities Fees shall be paid by the applicant at or prior to the time of the District's issuance of a water or sewer permit for service to the premises, or the District's initial provision of service, whichever occurs first. The fees shall be paid at the rate in effect on the day of payment. As explained in section 3.04, the fees for nonresidential uses are calculated based on water meter size. If the owner of a premises with an existing water connection requests the installation of a larger meter to serve expanded or changed use of the premises, then, as a condition of installation of the larger meter, the owner shall pay additional Community Facilities Fees in a sum as calculated based on the fee amount for the new meter size at the then-applicable fees minus the fee amount for the existing (to be replaced) meter size at the then applicable fees.

3.04 Dwelling Unit and Equivalent Dwelling Unit Calculation

- a. The Community Facilities Fees shall be imposed and calculated on an equivalent dwelling unit (EDU) basis. The EDU calculation is explained in Appendix B of the 2017 Fee Report. For residential development, the EDUs shall be determined and applied as follows:

Residential	
Development Type/Size	EDU Calculation
Estate lot > 24,000 square feet	1 lot = 2.5 EDUs
Estate Lot between 12,000 - 24,000 square feet	1 lot = 1 EDU
Estate lot < 12,000 square feet	1 lot = 0.9 EDU
Cottage and circle (70' or 90') lots	1 lot = 0.7 EDU
Townhouse, halfplex, & country club lodge lots	1 lot = 0.5 EDU
Apartment	1 dwelling unit = 0.3 EDU

Each new residential lot will be assigned a development type based on its size and information as shown on the final subdivision map.

b. For nonresidential development, the EDUs shall be determined and applied as follows based on the water meter size to serve the development or construction project:

Nonresidential	
Water meter size	No. EDUs
1-inch	1 EDU
1.5-inch	2 EDUs
2-inch	3.2 EDUs
3-inch	6.4 EDUs
4-inch	10 EDUs
6-inch	20 EDUs
8-inch	32 EDUs

c. The District uses a standard of 1 EDU equaling 750 gallons per day of average water usage. For any new development or construction project that falls outside the EDU calculations set forth above, the General Manager shall estimate and determine the appropriate number of EDUs based on this standard and the anticipated water usage of the new project.

d. If the new development or construction project includes a private fire department water connection ("FDC"), then the EDU calculation for the premises shall be increased by an amount determined in accordance with the following:

FDC Size	Additional EDU
4" Diameter FDC	0.40 EDU/FDC connection
6" Diameter FDC	0.50 EDU/FDC connection
8" Diameter FDC	0.60 EDU/FDC connection

3.05 Fee Amount

a. The Community Facilities Fees are as follows:

Fee Type	Fee Amount (2017-18)
Water Capital Improvement Fee	\$1,730 per EDU
Sewer Capital Improvement Fee	\$2,409 per EDU
Drainage Capital Improvement Fee	\$0
Security Capital Improvement Fee	\$66 per EDU
Water Supply Augmentation Fee	\$5,938 per EDU

Commencing January 1, 2019, the amount of the Community Facilities Fees shall be adjusted annually each January 1 based on the previous year's change in the mean index for 20 U.S. cities in the National Engineering News Record Construction Cost Index. The General Manager shall make this adjustment and keep and maintain a current schedule of applicable fees at the District office.

- b. A Community Park Fee in the amount of \$1,983.96 per single family or multi-family dwelling unit.

Note: Pursuant to that certain Parks Agreement, dated September 19, 1990, dwelling units designated by Rancho Murieta Association as participants in the Rancho Murieta Association Private Recreation Program will be given a credit in the amount of \$1,213.15. Such dwelling units, as of the effective date of the Ordinance first adopting the Community Park Fee, are those located on the following properties:

1. Rancho Murieta Unit 1 – except lots A and B
2. Rancho Murieta Unit 1 A
3. Rancho Murieta Unit 2
4. Rancho Murieta Unit 3
5. Rancho Murieta Unit 3 A
6. Rancho Murieta Unit 3 B
7. Rancho Murieta Unit 4
8. Rancho Murieta South Unit 1 A
9. Rancho Murieta South Unit 1 B
10. Rancho Murieta South Unit 2 A
11. Rancho Murieta South Unit 2 B
12. Rancho Murieta South Unit 3
13. Rancho Murieta South Unit 4
14. Rancho Murieta South Proposed Unit 5
15. Rancho Murieta South Proposed Phase II
16. Rancho Murieta South Parcel 3
17. Rancho Murieta South Parcel 4
18. Rancho Murieta South Parcel 5
19. Rancho Murieta South Parcel 6

3.06 Fee Waiver or Reduction

Upon written request filed by a property owner prior to the due date for payment of any Community Facilities Fee, the Board of Directors may approve a fee waiver or reduction if, in the reasonable judgment of the Board as supported by specific findings and evidence, the Board determines that a waiver or reduction is appropriate because (a) the owner will receive insufficient or no benefit from the fee imposed and would therefore be required, if the fee were imposed in full, to pay more than its fair share for the benefit received, (b) imposition of the fee or fee in full would result in a substantial inequity as compared to other similarly situated owners, or (c) imposition of the fee or full fee would be unlawful in

the particular circumstances. Findings must be based on written and other evidence substantiating the owner's contention that the fee should be waived or reduced. The owner shall bear the burden of proof to demonstrate that a waiver or reduction is appropriate.

3.07 Fee Credit and Reimbursement Policy

The Board of Directors may establish policies and procedures for granting fee credits against specific components of Water Supply Augmentation and Community Facilities Fees or providing reimbursement from Water Supply Augmentation and Community Facilities Fees when qualifying Community Facilities are constructed as part of a development project. Such policies and procedures shall be established by resolution.

SECTION 4. CEQA. The Board of Directors finds that these fee increases are for the purposes of meeting capital expenses of the District utility operations (including labor, supplies, equipment and materials), meeting financial reserve needs and requirements of the District utility systems, and obtaining funds for utility system improvements that are necessary and appropriate to maintain and expand utility service within the existing District service area. Accordingly, the District Board determines that these fee increases are exempt from environmental review under the California Environmental Quality Act and CEQA Guidelines. (Public Resources Code § 21080(b)(8); CEQA Guidelines § 15273.)

SECTION 5. EFFECTIVE DATE. This ordinance and the new fees shall take effect 30 days after its final passage.

SECTION 6. SEVERABILITY. If any section or provision of this ordinance or the application of it to any person, transaction or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this ordinance that can be given effect without the invalid or unenforceable provision, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. PUBLICATION. The District Secretary is directed to publish this ordinance once in a newspaper of general circulation published in the District within 15 days after the adoption of the ordinance.

INTRODUCED by the Board of Directors on the 15th day of November, 2017.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District at a regular meeting on the 20th day of December, 2017 by the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Mark Pecotich
President, Board of Directors

Attest:

Suzanne Lindenfeld
District Secretary



Water Supply Augmentation Fee and Facilities Capital Improvement Fee Study Update

November 8, 2017



Prepared by

SECTION I. INTRODUCTION

Rancho Murieta is an unincorporated community located in southeastern Sacramento County. The community is generally bounded by Stonehouse Road to the west, Highway 16 to the south, Latrobe Road to the north, and Michigan Bar Road to the east. A portion of the community is located south of Highway 16 and in this area is bounded to the south by the Cosumnes River.

Rancho Murieta Community Services District (District) was formed in 1982 to provide essential services within the community. The District is an independent special district that provides essential services to an area of 3,500 acres, with a current population within the District of approximately 5,600 people. Figure 1 presents the boundaries of the District along with a general vicinity map of the area.

The essential services provided by the District consist of the following:

- Security
- Water treatment, storage, and distribution
- Wastewater collection, treatment, and reuse
- Storm drainage collection and disposal
- Solid waste collection

State law authorizes the District to charge new development for capital facilities, conditioned upon the requirement that the charges imposed on new development bear a reasonable and defensible relationship to the needs created by and the benefits accruing to that development. This authority is granted to the District by Government Code Sections 61115, 61123, and 66013 and other laws. Excerpts of the pertinent sections of Government Code are included in Appendix A.

In order to provide funding for the logical expansion of infrastructure needed to provide these essential services to new development, the District currently collects a Water Supply Augmentation Fee and a Community Facilities Fee. The District relies upon water rights from the Cosumnes River to meet the water demands of the service area. The District's Board of Directors (Board) recognized that existing raw water supplies are inadequate to accommodate buildout of the District's service area and new water supply sources are needed. Consequently, a water supply augmentation fee was established to provide a funding mechanism to expand the existing raw water system to meet the build-out demands of the District. As originally planned, the augmentation fee would fund groundwater wells to augment the District's surface water supply.

In order to fund improvements necessary to provide the essential services to new development, the District adopted a Community Facilities Fee based on a list of facilities capital improvement projects and capital equipment identified as necessary to accommodate build-out of the service area at that time. The Community Facilities Fee actually will consist of four separate accounts or sub-fees: water, sewer, drainage, and security capital improvement fees.

The current fees are set forth in District Code, Chapter 8. Most recently, on July 7, 2014, the District adopted Ordinance 2014-02, adjusting the current Water Supply Augmentation fee at \$4,660 per equivalent dwelling unit (EDU) and the current Community Facilities Fee at \$1,180 per EDU. Over the years, fees have been collected by the District and a summary of funds collected by the District is provided in Section II of this report.

The service area of the District is not yet fully built out. The development projects that are planned to move forward within the service area of the District are discussed in more detail in Section III of this report.

Currently, the District delivers recycled water to the two Rancho Murieta golf courses as a supplemental water supply. Recently, the Board decided to expand the recycled water system within the community outside of the two golf courses, recognizing that expansion of recycled water use for landscape irrigation provided for a more reliable additional water supply source as a means of augmenting the existing raw water supply, in lieu of new groundwater wells. In order to implement this vision, the District embarked on a recycled water master planning effort. A new list of water supply augmentation projects, related to recycled water, originated from this effort and is presented in the Kennedy Jenks report titled "Recycled Water Program Preliminary Design Report" dated January 2017. More information on these water supply augmentation projects is provided in Section IV of this report.

The purpose of the water supply augmentation fee remains the same, which is to fund the development of an additional water supply to meet the water supply needs of new development. However, the means of attaining that objective have been changed from the development and installation of new groundwater supply wells to the development and construction of an expanded recycled water system. The delivery of recycled water to additional non-potable uses (made possible through the development of recycled water improvements) frees up additional treated water to serve the needs of new development.

The original facilities capital improvement projects and capital equipment list are such that many of the outstanding projects and equipment are no longer appropriate to serve build-out of the District. Therefore, an updated list of the facilities capital improvement projects and capital equipment needs was researched and prepared, to allow the District to provide for the orderly expansion of District facilities to accommodate the remaining growth planned within the District's service boundary. The new list of facilities capital improvement projects and equipment was approved by the Board at meetings held on May 17, 2017, and June 21, 2017. The new list of water capital improvement projects, sewer capital improvement projects, drainage capital improvement projects, and administration capital improvement projects is discussed in more detail in Section V of this report. Since the May 17 and June 21 Board meetings, District staff and Coastland have further evaluated the list of projects and cost estimates and Coastland has prepared a revised, updated Technical Memorandum dated August 29, 2017 (attached as Appendix D) providing additional information for the proposed capital improvement projects and equipment and supporting cost estimates.

While new groundwater wells no longer are being considered to supply water for new development, the District is planning to install an emergency groundwater well that would be on standby and used only in emergency situations and other exigent circumstances affecting the District's normal surface water supply. The emergency well will be funded through the water capital improvement fee and grants and the local costs of the well will be shared on a pro rata basis between the existing ratepayers and new development. This project, and others, that benefit both existing ratepayers and new development, are discussed in more detail in Section VI.

As this list of projects is being updated, the District must also revisit the current fee structure for the Water Supply Augmentation Fee and Community Facilities Fees to ensure that the fees are reasonable and based only on current identified needs and costs. There are a number of methodologies available to calculate fees. The most widely and legally defensible methodologies

used for calculating capital fees for future users are the system buy-in, incremental cost, and hybrid.

The system buy-in approach rests on the premise that new customers are entitled to service at the same price and quality as existing customers. This approach is commonly used in the following cases when:

- Existing customers have already developed the facilities that will serve new customers, including the costs associated with financing those services.
- The public agency doesn't have a comprehensive, long-term capital improvement plan.
- Buy-in rate is sufficient to cover future capital needs.

Under the incremental-cost approach, new customers pay for additional capacity requirements, which are typically tied directly to a Capital Improvement Master Plan. Future costs are spread over remaining users/demand. Any existing facilities with additional capacity are also included to ensure new development pays their fair share.

The hybrid is simply a combination of the system buy-in approach and incremental-cost approach.

There are multiple reasons to utilize the incremental cost approach to establish the modified water supply augmentation, water capital improvement, sewer capital improvement, drainage capital improvement, and security capital improvement fees. First, the District has identified a new list of water supply augmentation projects, facilities capital improvements projects, and facilities capital equipment to serve build-out of the District's service area and has identified the specific areas within the service area that will benefit. Second, prior projects constructed with excess capacity were all previously paid for by the new users that would receive benefit from the projects, meaning there are no projects that new users must buy into. The fee calculation methodology is discussed in Section VII.

Section VIII of this report provides a comparison of proposed fees to existing similar fees of nearby jurisdictions and districts. Section IX provides recommended actions pertaining to the proposed fees for the next five years.

SECTION II. EXISTING FEES AND BALANCES

In the past, the funds collected through the Community Facilities Fees have included an allocation toward administration facilities. To date, the District has collected \$559,835 in fees toward administration capital. The District has determined that the administration facilities proposed will serve as support facilities which benefit the other four capital improvement categories and that it is more appropriate to fund the administration facilities through the other four capital improvement fees. Consequently, the administration portion of the Community Facilities fee will no longer be collected, and the current administration facilities fund balance will be reallocated to the water, sewer, drainage, and security capital improvement fee accounts per the following percentages, consistent with District audited financial statements.

- Water: 38.9%
- Sewer: 29.7%
- Drainage: 6.3%
- Security: 25.1%

These administration capital fees are existing fees collected to date by the District and are not associated with funds needed for administration capital improvement projects and capital equipment discussed in Section V of this report.

Over the years, the District has been collecting fees from all new connections to cover the costs for new capital improvements to serve the needs of new development. Some of these funds have been temporarily loaned out to other District enterprise funds, in accordance with Board actions. As of May 31, 2017, the amount of cash on hand and loan balances to other funds, along with the distribution of administration capital funds currently on account with the District and current balance for the various fee accounts are as follows.

Table 1 – Current Balance Summary

Fee Account	Cash on Hand	Loan Balance	Administration Capital Fee Distribution	Current Balance
Water Supply Augmentation	\$1,698,790	\$382,964	\$0	\$2,081,754
Water Capital	-\$245,589	\$0	\$217,776	-\$27,813
Sewer Capital	-\$49,563	\$0	\$166,271	\$116,708
Drainage Capital	\$235,171	\$65,106	\$35,270	\$335,547
Security Capital	-\$136,350	\$0	\$140,518	\$4,168
TOTAL	\$1,502,459	\$448,070	\$559,835	\$2,510,364

There are upcoming costs for studies necessary to accommodate new growth that will be funded from these four fee accounts and the Water Supply Augmentation Fee that have not yet been expended by the District. In particular, the District is embarking on an Electronic Document Management System, at a total estimated cost of \$58,000. The District has determined that \$20,000 of this sum benefits new development. The \$20,000 therefore will be funded out the monies in the four Community Facilities Fee accounts, to be split at the Community Facilities Fee percentages identified above. No other expenditures of capital funds are envisioned during the existing fiscal year.

Further, the fee account funds will be used to pay costs for the Kennedy Jenks Recycled Water/Pre-design Report and Sewer Force Main Assessment and this Coastland fee report. The anticipated total remaining costs for the Kennedy Jenks studies are estimated at \$13,264, to be funded out of Water Supply Augmentation. The anticipated total remaining costs for the Coastland report is estimated at \$41,058, to be split 50% to Water Supply Augmentation Fee and 50% to the Community Facilities Fee percentages identified above. The District determined that the 50%/50% allocation is appropriate because the fee report was prepared to support and aid in the re-evaluation and adjustment of both fee categories. Lastly, revenue is needed to pay for an updated fee report to be prepared in five years. The cost of that report is estimated at \$60,000, to be split 50% to Water Supply Augmentation Fee and 50% to the Community Facilities Fee percentages identified above.

These anticipated costs will reduce the current balance of each fund. The costs and adjusted balances for each of the five fee accounts is as follows.

Table 2 – Adjusted Balance Summary

Fee Account	Current Balance	Anticipated Costs	Adjusted Balance
Water Supply Augmentation	\$2,081,754	\$63,793	\$2,017,961
Water Capital	-\$27,813	\$27,436	-\$55,249
Sewer Capital	\$116,708	\$20,947	\$95,761
Drainage Capital	\$335,547	\$4,443	\$331,104
Security Capital	\$4,168	\$17,703	-\$13,535
TOTAL	\$2,510,364	\$134,322	\$2,436,042

SECTION III. PROPOSED DEVELOPMENT PROJECTS

A number of development projects are proposed within the District's boundary. A map of the development projects is presented in Figure 2. These projects are in various stages of planning, from fully entitled and in development to planned, and consist of the remaining undeveloped areas within the District's service boundary. Table 3 provides a summary of these development projects, along with the estimated equivalent dwelling units (EDUs) for each project. Figure 2 and Table 3 are consistent with the County of Sacramento General Plan and master plan for Rancho Murieta.

The estimated total number of new EDUs is 1,718.1. Additional information on the proposed projects and the methodology employed to determine EDUs is presented in the Coastland technical memorandum dated September 8, 2017 titled "Development Projects and EDU Calculation Summary", included as Appendix B.

As discussed in the technical memorandum, the methodology for calculation of EDUs for non-residential projects is proposed to be changed. The District's current methodology equates EDUs to developed square footage, whereas the proposed methodology equates EDUs to water meter size, based on industry standards identified by American Water Works Association. Additional information to justify this changed methodology is also included in the technical memorandum cited above.

Table 3 – Development Project Summary

Name of Development	Status of Application	Total EDUs for Project
Riverview	Entitled	126.8
Lakeview	Entitled	89.1
Residences – East	Entitled	95.5
Residences – West	Entitled	89.1
Retreats West, North, and East ^a	Entitled	46.2
Murieta Gardens (commercial) ^b	Entitled	71.0
Murieta Gardens (residential)	Entitled	70.2
Industrial/Commercial/Residential 39 ^c	Pending	160.0
Village A (Terrace)	Pending	119.1
Village B (River Canyon)	Pending	136.0
Village C (Highlands)	Pending	61.2
Village D (Granlee)	Pending	70.0
Village E (The Village at Lake Jean)	Pending	57.5
Village F (Chesbro Square)	Pending	81.0
Village G (Calero East)	Pending	50.0
Village G (Calero West)	Pending	
Village G (Calero North)	Pending	
Village H (Calero South)	Pending	88.4
Parks ^d	Constructed/Pending	246.0
Others ^e	Future	10.0
Apartment 17 ^f	Anticipated	51.0

- a. 84 Total EDUs; 18 EDUs of fees already paid.
- b. EDU count based on allocation in Financing and Services Agreement.
- c. Industrial/Commercial/Residential 36: EDU count based on Recycled Water PDR.
- d. Parks are on-line and fees to be paid at a later date per agreement with District.
- e. For projects with minimal information, such as Lookout Hill and FAA Commercial.
- f. Dwelling unit count based on Recycled Water PDR.

SECTION IV. PROPOSED WATER SUPPLY AUGMENTATION PROJECTS

As discussed in Section I, the list of water supply augmentation projects to be funded by the Water Supply Augmentation fee is based on the Kennedy Jenks report titled “Recycled Water Program Preliminary Design Report” dated January 2017 and the Coastland Technical Memorandum

dated June 27, 2017. A list of the eighteen projects and estimated overall cost for each project is presented in Table 4 below.

Table 4 – Water Supply Augmentation Project Summary

Project Number	Project Name	Project Estimate
17-5-01	Recycled Water SCADA Control System	\$331,250
17-5-02	Equalization Basin Potable Water Air Gap	\$100,700
17-5-03	Recycled Water Pumping Station	\$1,384,625
17-5-04	District Headquarters Conversion	\$26,500
17-5-05	Northwest Recycled Water Transmission Main	\$1,909,325
17-5-06	Lookout Hill Booster Pump Station	\$810,900
17-5-07	Escuela Park Conversion	\$21,200
17-5-08	Stonehouse Park Conversion	\$47,700
17-5-09	Lookout Hill Water Storage Tank	\$722,125
17-5-10	North Main Gate Conversion	\$23,850
17-5-11	Commercial Loop Conversion	\$33,125
17-5-12	SCADA Upgrades	\$108,650
17-5-13	Disinfection Facility Upgrade	\$881,125
17-5-14	North Golf Course Conveyance System	\$2,146,500
17-5-15	Bass Lake Tank	\$1,611,200
17-5-16	Bass Lake Booster Pump Station	\$828,125
17-5-17	Seasonal Storage Reservoir Expansion	\$1,099,750
17-5-18	Tertiary Pump Station Pump Replacement	\$132,500
Project Total		\$12,219,150

Additional information on the proposed Water Supply Augmentation Projects is presented in the Coastland technical memorandum dated June 27, 2017, titled “Water Supply Augmentation Project – Recycled Water Program”, included as Appendix C.

The January 2017 Recycled Water Program Preliminary Design Report includes the Van Vleck/Anderson Spray Field 4 project (CIP 17-2-15) as one of the water supply augmentation projects. For purposes of this fee report, that project has been moved from the water supply augmentation fee list of projects to the sewer capacity charge list of projects, because based on subsequent analysis District staff and Coastland determined that the spray field improvements are more closely related to wastewater disposal and therefore should be funded through the sewer capital improvement fee. The updated Coastland technical memorandum reflects this change.

The water supply augmentation projects listed above will improve and expand the capacity of the District’s recycled water system and will allow the District to significantly expand its use of recycled water. The effect of these improvements will be to reduce the use of the treated water supply and make more of that water supply available to serve new development, essentially augmenting the District’s water supply. These improvements are not necessary to provide on-going water service

to existing users and ratepayers. Consequently, the costs of the water supply augmentation projects are allocated 100% to new development.

SECTION V. PROPOSED FACILITY CAPITAL IMPROVEMENT PROJECTS AND COSTS

As discussed in Section I, the District revisited the individual facility capital improvement projects and capital equipment. A list of these items and estimated overall cost for each individual item are presented in Tables 5 through 8 below.

Table 5 – Water Capital Improvement Project and Capital Equipment Project Summary

Project No.	Project Name	Project Est.
17-1-01	Rio Oso Hydropneumatic Station Air Compressor	\$29,120
17-1-02	Booster Pump Building at Rio Oso	\$508,200
17-1-03	Rio Oso Hydropneumatic Tank	\$213,500
17-1-04	Culvert Crossing at Water Treatment Plant	\$159,880
17-1-05	Dam Road Grading and Resurfacing	\$1,227,600
17-1-06	Chlorine Gas to Bleach Conversion - Water Treatment Plant	\$352,940
17-1-07	Maintenance Shed (20' x 40') at Water Treatment Plant	\$67,480
17-1-08	Emergency Water Supply Well	\$1,043,200
Water Capital Improvement Project and Capital Equipment Total		\$3,601,920

Table 6 – Sewer Capital Improvement Project and Capital Equipment Project Summary

Project No.	Project Name	Project Est.
17-2-01	Sewer/Drainage Hydro Cleaning Truck (Split 50/50 Sewer & Drainage)	\$168,000
17-2-02	Material and Equipment Warehouse	\$147,840
17-2-03	Drying Bed and Access Road Improvements	\$605,500
17-2-04	Chlorine Gas to Bleach Conversion - Wastewater Treatment Plant	\$266,140
17-2-05	WWTP SCADA Monitoring	\$225,400
17-2-06	Lift Station Capacity Improvements	\$997,920
17-2-07	Fiber Optic Connection - Wastewater Treatment Plant to Admin Building	\$136,780
17-2-08	Piping Connection - Sludge Discharge to Drying Beds	\$380,660
17-2-09	Sludge Dredge & Filter Skid for Ponds	\$471,240
17-2-10	Headworks	\$641,200
17-2-13	Motor Actuated Valve for Sludge Drying Bed	\$60,000
17-2-14	Yellow Bridge Sewer Force Main Improvements	\$167,000
17-2-15	Anderson Ranch Spray Field 4	\$1,179,250
Sewer Capital Improvement Project and Capital Equipment Total		\$5,446,930

Table 7 – Drainage Capital Improvement Project and Capital Equipment Project Summary

Project No.	Project Name	Project Est.
17-2-01	Sewer/Drainage Hydro Cleaning Truck (Split 50/50 Sewer & Drainage)	\$168,000
17-2-11	Commercial Area Drainage Slide Gate Automation	\$55,440
17-2-12	Stormwater Monitoring Testing Equipment	\$43,680
17-2-16	Trash Containment Structures	\$115,000
Drainage Capital Improvement Project and Capital Equipment Total		\$382,120

Table 8 – Administration Capital Improvement Project and Capital Equipment Project Summary

Project No.	Project Name	Project Est.
17-4-01	District Administration Building Remodel/Expansion	\$400,960
Administration Capital Improvement Project and Capital Equipment Total		\$400,960

While not currently identified as drainage capital improvement projects, there are several projects which are currently being vetted by the District and may be added to the drainage capital improvement project list once additional information is obtained to confirm that new development will receive benefit from these projects. These projects include:

1. Laguna Joaquin Water Quality Enhancements
2. Inundation Studies for Calero, Chesbro, and Clementia reservoirs and Michigan Bar Levees #1 & #2
3. Expansion of drainage retention basins and culverts

Additional information on the individual facility capital improvement projects and capital equipment, specifically the type of capital improvement, justification, and individual and overall costs are summarized in the Coastland technical memorandum dated August 29, 2017, titled "Facility Capital Improvement Projects", included as Appendix D.

Administration capital costs for CIP 17-4-01 are proposed to be allocated amongst water capital, sewer capital, drainage capital, and security capital based upon the percentages identified in Section II. In summary, the estimated total cost for the administration capital improvement projects and capital equipment to each of the four capital improvement fee accounts is as follows:

- Water Capital Improvement: \$155,973
- Sewer Capital Improvement: \$119,085
- Drainage Capital Improvement: \$25,261
- Security Capital Improvement: \$100,641

SECTION VI. EXISTING AND FUTURE USER SHARED BENEFIT

State law requires that the District reasonably apportion the costs for the facilities capital improvement projects and capital equipment between existing users and new development. Of the 25 facilities capital improvement projects and capital equipment, a total of ten will benefit both existing users and new development. These are as follows:

- CIP 17-1-04: Culvert Crossing at Water Treatment Plant
- CIP 17-1-06: Chlorine Gas to Sodium Hypochlorite Conversion – Water Treatment Plant
- CIP 17-1-08: Emergency Water Supply Well
- CIP 17-2-01: Sewer/Drainage Hydro Cleaning Truck
- CIP 17-2-04: Chlorine Gas to Sodium Hypochlorite Conversion – Wastewater Treatment Plant
- CIP 17-2-08: Piping Connection – Sludge Discharge to Piping Beds
- CIP 17-2-09: Sludge Dredge and Filter Skid for Ponds
- CIP 17-2-11: Commercial Area Drainage Slide Gate Automation
- CIP 17-2-15: Anderson Ranch Spray Field 4
- CIP 17-2-16: Trash Containment Structures

In order to determine the portion of the project cost attributable to new development, an equitable methodology of allocating costs between existing and future users must be determined. For water and sewer capital improvement projects and capital equipment, the allocation is based on water usage as a proxy. For drainage capital improvement projects and capital equipment, the allocation was based on comparing the remaining undeveloped acreage to the total acreage in the District's service area.

Utilizing the adopted Water Supply Assessment for the Rancho North Project, existing water demand is estimated at 1,711 acre-feet, with usage of 750 gallons per EDU. This equates to 2,036.5 existing EDUs. As discussed in Section III, the proposed number of new EDUs is 1,718.1. Therefore, the percentage between existing users and future development for water and sewer capital improvement projects and capital equipment is determined to be 54% existing and 46% future.

Utilizing the Rancho Murieta North Infrastructure Master Plan, the total area of the District's service area is 3,500 acres, with 1,920 acres undeveloped. Therefore, the percentage between existing users and future development for drainage capital improvement projects and capital equipment is determined to be 45% existing and 55% future, except for CIP 17-2-11. The improvements identified by CIP 17-2-11 serve the commercial area only, and costs should be shared between existing users and new development. The percentage between existing users and future development for CIP 17-2-11 is determined to be 85% existing and 15% future.

Tables 9 through 11 below identify the cost allocation to new development for the water, sewer, and drainage capital improvement projects and capital equipment. The projects that are allocated amongst both new development and existing users are italicized, with the total cost reflective of the cost sharing borne by new development.

Table 9 – Water Capital Improvement Project and Capital Equipment Project New Development Cost Allocation Summary

Project No.	Project Name	Project Est.
17-1-01	Rio Oso Hydropneumatic Station Air Compressor	\$29,120
17-1-02	Booster Pump Building at Rio Oso	\$508,200
17-1-03	Rio Oso Hydropneumatic Tank	\$213,500
17-1-04	<i>Culvert Crossing at Water Treatment Plant</i>	\$73,545
17-1-05	Dam Road Grading and Resurfacing	\$1,227,600
17-1-06	<i>Chlorine Gas to Bleach Conversion - Water Treatment Plant</i>	\$162,352
17-1-07	Maintenance Shed (20' x 40') at Water Treatment Plant	\$67,480
17-1-08	<i>Emergency Water Supply Well</i>	\$479,872
Water Capital Improvement Project and Capital Equipment Total		\$2,761,699

Table 10 – Sewer Capital Improvement Project and Capital Equipment Project New Development Cost Allocation Summary

Project No.	Project Name	Project Est.
17-2-01	<i>Sewer/Drainage Hydro Cleaning Truck (Split 50/50 Sewer & Drainage)</i>	\$77,280
17-2-02	Material and Equipment Warehouse	\$147,840
17-2-03	Drying Bed and Access Road Improvements	\$605,500
17-2-04	<i>Chlorine Gas to Bleach Conversion - Wastewater Treatment Plant</i>	\$122,424
17-2-05	WWTP SCADA Monitoring	\$225,400
17-2-06	Lift Station Capacity Improvements	\$997,920
17-2-07	Fiber Optic Connection - Wastewater Treatment Plant to Admin Building	\$136,780
17-2-08	<i>Piping Connection - Sludge Discharge to Drying Beds</i>	\$175,104
17-2-09	<i>Sludge Dredge & Filter Skid for Ponds</i>	\$216,770
17-2-10	Headworks	\$641,200
17-2-13	Motor Actuated Valve for Sludge Drying Bed	\$60,000
17-2-14	Yellow Bridge Sewer Force Main Improvements	\$167,000
17-2-15	<i>Anderson Ranch Spray Field 4</i>	\$542,455
Sewer Capital Improvement Project and Capital Equipment Total		\$4,115,673

Table 11 – Drainage Capital Improvement Project and Capital Equipment Project New Development Cost Allocation Summary

Project No.	Project Name	Project Est.
17-2-01	<i>Sewer/Drainage Hydro Cleaning Truck (Split 50/50 Sewer & Drainage)</i>	\$92,400
17-2-11	<i>Commercial Area Drainage Slide Gate Automation</i>	\$6,552
17-2-12	Stormwater Monitoring Testing Equipment	\$43,680
17-2-16	<i>Trash Containment Structures</i>	\$63,250
Drainage Capital Improvement Project and Capital Equipment Total		\$205,882

The cost for CIP 17-2-11 applies only to those new development within the Commercial Area.

SECTION VII. PROPOSED FEES

The proposed Water Supply Augmentation Fee and the Community Facilities Fees are based on the total cost allocation to new development divided by the number of EDUs. The development share of project costs for the Community Facilities Fee components includes the allocation of administration capital costs identified in Section V. The final revenue need for each of the fee accounts is presented in Table 12 below.

Table 12 – Final Revenue Need Summary

Fee Account	Development Share of Project Costs	Adjusted Balance	Final Revenue Need
Water Supply Augmentation	\$12,219,150	\$2,017,961	\$10,201,189
Water Capital	\$2,917,672	-\$55,249	\$2,972,921
Sewer Capital	\$4,234,758	\$95,761	\$4,138,997
Drainage Capital	\$231,143	\$331,104	-\$99,961
Security Capital	\$100,641	-\$13,535	\$114,176

In order to determine the proposed fee for each of the five fee accounts, the final revenue need is divided by the number of EDUs (1,718.1). The proposed fee for each of the five fee accounts is as follows.

- Water Supply Augmentation Fee: \$5,938 per EDU
- Community Facilities Fees
 - Water Capital Improvement Fee: \$1,730 per EDU
 - Sewer Capital Improvement Fee: \$2,409 per EDU
 - Drainage Capital Improvement Fee: \$0 per EDU
 - Security Capital Improvement Fee: \$66 per EDU
 - Total Fee: \$4,205 per EDU

The proposed Security Capital Improvement fee is separate from the Security Impact Fee identified by Policy 2016-02, which summarizes the uses of revenue generated by security impact fees authorized per Financing and Service Agreements dated May 27, 2014 with Cosumnes River Land, LLC; Murieta Industrial Park, LLC; Murieta Lakeside Properties, LLC; and Murieta Highlands, LLC (termed “the Rancho North FSA”) and March 28, 2014 with CSGF Rancho Murieta, LLC; BBC Murieta Land, LLC; Murieta Retreats, LLC; Elk Grove Bilby Partners, LP; and PCCP CSGF RB Portfolio, LLC (termed “the 670 FSA”).

SECTION VIII. REGIONAL FEE COMPARISON

Fees for a number of local agencies (County of Sacramento, City of Folsom, City of Galt, and Amador Water Agency) were researched to provide a comparison with the proposed fees for the District. Below are the findings:

- City of Folsom (Water): \$3,105 per unit
- City of Folsom (Wastewater – City and Sacramento County Regional Sanitation District [SRCSD]): \$5,523 per unit
- City of Folsom (Drainage): \$958 per unit
- City of Folsom (Police): \$555 per unit
- City of Galt (Water, proposed): \$6,598 for 1” meter
- City of Galt (Wastewater, proposed): \$7,946 per EDU (at 250 gallons per day)
- City of Galt (Drainage, proposed): \$6,644 per acre
- Sacramento County (Water – Zone 40): \$16,104 per EDU
- Sacramento County (Wastewater – Sacramento Area Sewer District and SRCSD): \$22,657 per EDU
- Sacramento County (Drainage – Zone 11A): \$14,610 per EDU
- Amador Water Agency (Water): \$23,454 for 1” meter
- Amador Water Agency (Wastewater): \$9,380 per dwelling unit (at 200 gpd)

As identified above, the closest comparator is the City of Folsom. The total fees per unit for water, wastewater, drainage, and police within the City of Folsom equal \$10,141. The proposed fees (excluding Security Impact Fee) for the District equal \$10,143. Fees for all other agencies are notably higher.

SECTION IX. FUTURE RECOMMENDED ACTIONS

Coastland recommends that the District adjust both the Water Supply Augmentation Fee and the Capital Facilities Fee annually by the ENR Construction Cost Index, using either the 20-city index or the San Francisco specific index. In addition, Coastland recommends that the identified projects and equipment, fee calculation methodology, and fees be re-visited every five years to ensure that the fee reflects the current costs and the current needs of the District. If Districts needs change or construction costs increase or decrease drastically before the next fee study, the fee study and ordinance can be amended accordingly.

This report recognizes that some of the major recycled water infrastructure system that is identified in the technical memorandum titled “Water Supply Augmentation Project – Recycled Water Program” will likely be constructed by developers in conjunction with their projects. Similarly, there may be certain other water, sewer, or drainage improvements constructed by

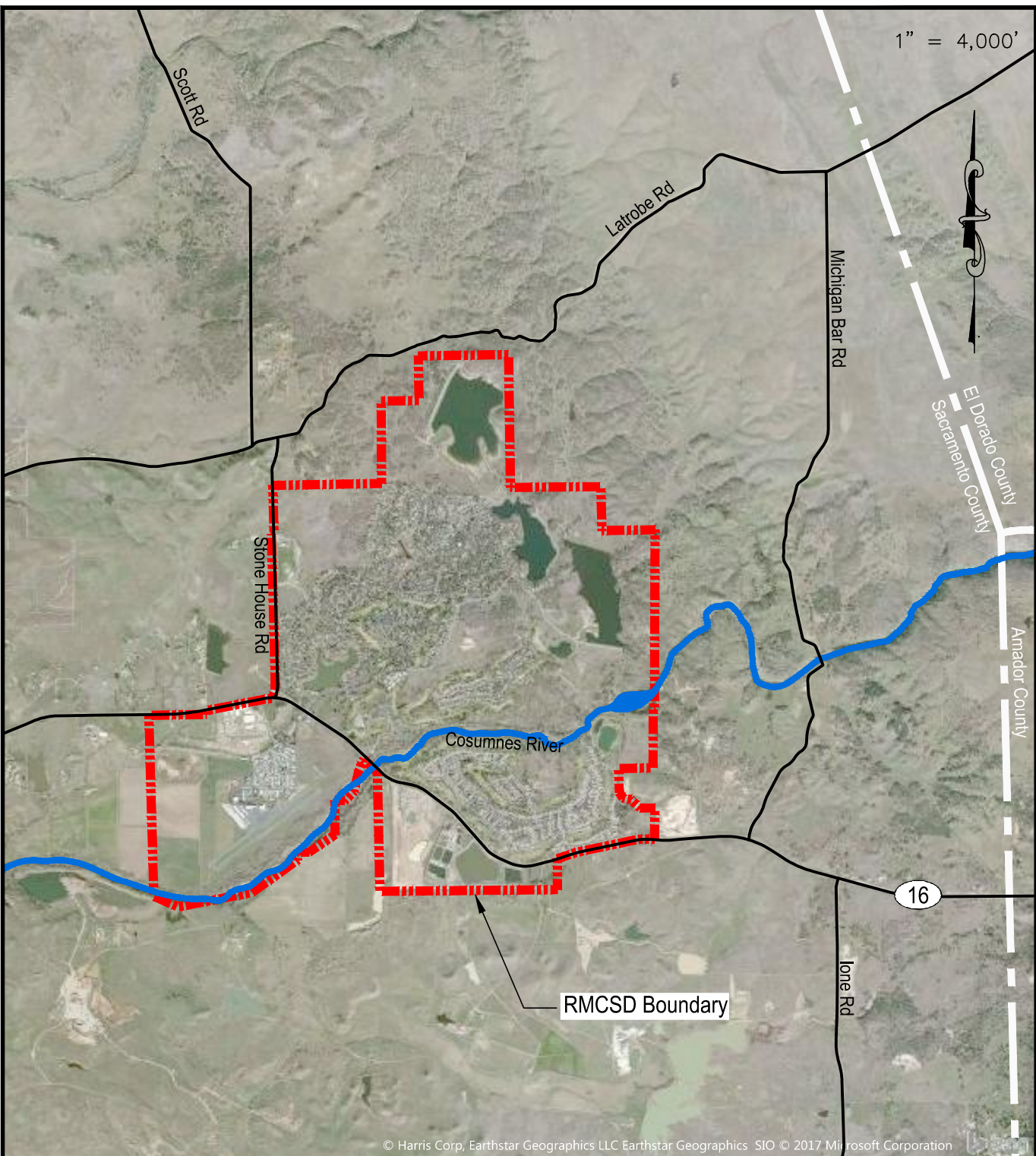
developers. Any appropriate fee credits will be given to developers, which will be applied against the impact fees due to the District at issuance of building permits or other timeframe as identified by the District. The exact amount of fee credits or reimbursements will be determined on a case-by-case basis, through development agreements, contract or a subsequent ordinance, and will be reflective of actual costs of those improvements identified in this report.

Lastly, as discussed in Section V, additional vetting is necessary to determine the merit of adding the following projects to the drainage capital improvement project list:

1. Laguna Joaquin Water Quality Enhancements
2. Inundation Studies for Calero, Chesbro, and Clementia reservoirs and Michigan Bar Levees #1 & #2
3. Expansion of drainage retention basins and culverts

ORIGINAL PLOT DATE: LOCATION MAP

1" = 4,000'



Layout Name: Fig 1 Vic Map 8.5x11 Plot Date: Jul 07, 2017 at 05:31 pm

Images: Rancho Murieta.png Xrefs: Path: F:\BMAP-STD\Rancho Murieta CSD\PM Fig 1 Vic Map.dwg

Rancho Murieta
 Community Services District
Serving the community for over 30 years.

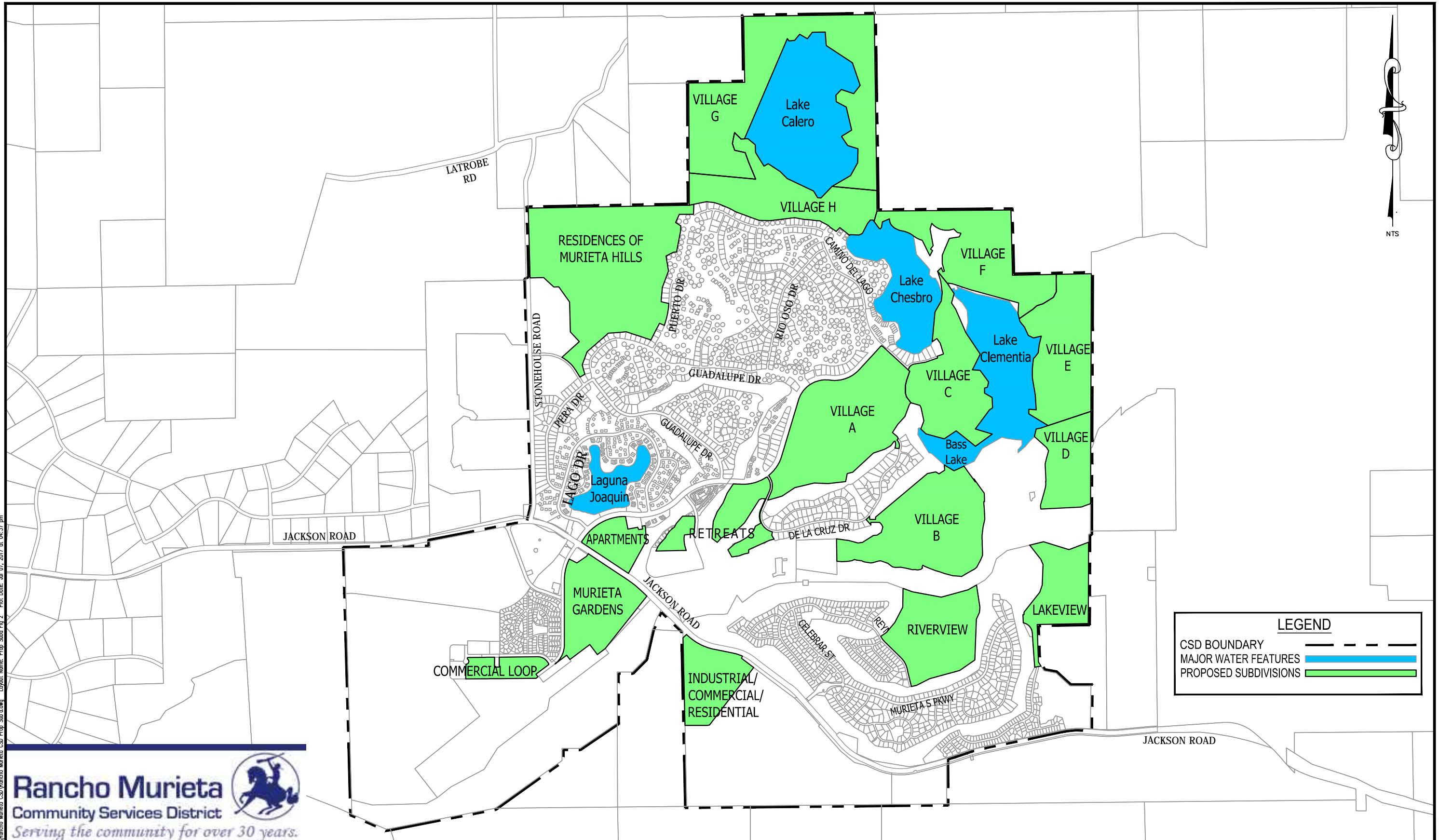


Coastland Civil Engineering, Inc.
 11865 Edgewood Road, Auburn, CA 95603
 530.888.9929 530.888.9979 Fax

RANCHO MURIETA CSD
 COMMUNITY SERVICES DISTRICT
 FIGURE 1 VICINITY MAP

ORIGINAL PLOT DATE:

Images: Rancho Murieta\Prop\Subdiv\Fig 2 - Plot Date: Jul 07, 2007 at 04:37 pm
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LEGEND

- CSD BOUNDARY
- MAJOR WATER FEATURES
- PROPOSED SUBDIVISIONS

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RANCHO MURIETA CSD
COMMUNITY SERVICES DISTRICT
FIGURE 2 PROPOSED SUBDIVISIONS

Appendix A

**Government Code Sections 66013,
66016-66019, and 66022**

Appendix A – Government Code Sections 66013, 66016-66019, and 66022

Section 66013

(a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) "Sewer connection" means the connection of a structure or project to a public sewer system.

(2) "Water connection" means the connection of a structure or project to a public water system, as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) "Capacity charge" means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A "capacity charge" does not include a commodity charge.

(4) "Local agency" means a local agency as defined in Section 66000.

(5) "Fee" means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and that does not exceed the estimated reasonable cost of labor and materials for installation of those facilities.

(6) "Public facilities" means public facilities as defined in Section 66000.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected. Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

(d) For a fund established pursuant to subdivision (c), a local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

- (1) A description of the charges deposited in the fund.
- (2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
- (3) The amount of charges collected in that fiscal year.
- (4) An identification of all of the following:
 - (A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
 - (B) Each public improvement on which charges were expended that was completed during that fiscal year.
 - (C) Each public improvement that is anticipated to be undertaken in the following fiscal year.
- (5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.
- (e) The information required pursuant to subdivision (d) may be included in the local agency's annual financial report.
- (f) The provisions of subdivisions (c) and (d) shall not apply to any of the following:
 - (1) Moneys received to construct public facilities pursuant to a contract between a local agency and a person or entity, including, but not limited to, a reimbursement agreement pursuant to Section 66003.
 - (2) Charges that are used to pay existing debt service or which are subject to a contract with a trustee for bondholders that requires a different accounting of the charges, or charges that are used to reimburse the local agency or to reimburse a person or entity who advanced funds under a reimbursement agreement or contract for facilities in existence at the time the charges are collected.
 - (3) Charges collected on or before December 31, 1998.
- (g) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022.
- (h) Fees and charges subject to this section are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Sections 66016, 66022, and 66023.
- (i) The provisions of subdivisions (c) and (d) shall only apply to capacity charges levied pursuant to this section.

Section 66016

(a) Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. At least 10 days prior to the meeting, the local agency shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. Unless there has been voter approval, as prescribed by Section 66013 or 66014, no local agency shall levy a new fee or service charge or increase an existing fee or service charge to an amount which exceeds the estimated amount required to provide the service for which the fee or service charge is levied. If, however, the fees or service charges create revenues in excess of actual cost, those revenues shall be used to reduce the fee or service charge creating the excess.

(b) Any action by a local agency to levy a new fee or service charge or to approve an increase in an existing fee or service charge shall be taken only by ordinance or resolution. The legislative body of a local agency shall not delegate the authority to adopt a new fee or service charge, or to increase a fee or service charge.

(c) Any costs incurred by a local agency in conducting the meeting or meetings required pursuant to subdivision (a) may be recovered from fees charged for the services which were the subject of the meeting.

(d) This section shall apply only to fees and charges as described in Sections 51287, 56383, 65104, 65456, 65584.1, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this code, Sections 17951, 19132.3, and 19852 of the Health and Safety Code, Section 41901 of the Public Resources Code, and Section 21671.5 of the Public Utilities Code.

(e) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion levying a fee or service charge subject to this section shall be brought pursuant to Section 66022.

Section 66017

(a) Any action adopting a fee or charge, or increasing a fee or charge adopted, upon a development project, as defined in Section 66000, which applies to the filing, accepting, reviewing, approving, or issuing of an application, permit, or entitlement to use shall be enacted in accordance with the notice and public hearing procedures

specified in Section 54986 or 66016 and shall be effective no sooner than 60 days following the final action on the adoption of the fee or charge or increase in the fee or charge.

(b) Without following the procedure otherwise required for the adoption of a fee or charge, or increasing a fee or charge, the legislative body of a local agency may adopt an urgency measure as an interim authorization for a fee or charge, or increase in a fee or charge, to protect the public health, welfare and safety. The interim authorization shall require four-fifths vote of the legislative body for adoption. The interim authorization shall have no force or effect 30 days after its adoption. The interim authority shall contain findings describing the current and immediate threat to the public health, welfare, and safety. After notice and public hearing pursuant to Section 54986 or 66016, the legislative body may extend the interim authority for an additional 30 days. Not more than two extensions may be granted. Any extension shall also require a four-fifths vote of the legislative body.

Section 66018

(a) Prior to adopting an ordinance, resolution, or other legislative enactment adopting a new fee or approving an increase in an existing fee to which this section applies, a local agency shall hold a public hearing, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, shall be published in accordance with Section 6062a.

(b) Any costs incurred by a local agency in conducting the hearing required pursuant to subdivision (a) may be recovered as part of the fees which were the subject of the hearing.

(c) This section applies only to the adopting or increasing of fees to which a specific statutory notice requirement, other than Section 54954.2, does not apply.

(d) As used in this section, "fees" do not include rates or charges for water, sewer, or electrical service.

Section 66018.5.

"Local agency," as used in this chapter, has the same meaning as provided in Section 66000.

Section 66019

(a) As used in this section:

(1) "Fee" means a fee as defined in Section 66000, but does not include any of the following:

(A) A fee authorized pursuant to Section 66013.

(B) A fee authorized pursuant to Section 17620 of the Education Code, or Sections 65995.5 and 65995.7.

(C) Rates or charges for water, sewer, or electrical services.

(D) Fees subject to Section 66016.

(2) "Party" means a person, entity, or organization representing a group of people or entities.

(3) "Public facility" means a public facility as defined in Section 66000.

(b) For any fee, notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this subdivision is available shall be mailed at least 14 days prior to the first meeting to an interested party who files a written request with the city, county, or city and county for mailed notice of a meeting on a new or increased fee to be enacted by the city, county, or city and county. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body of the city, county, or city and county may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. The legislative body may send the notice electronically. At least 10 days prior to the meeting, the city, county, or city and county shall make available to the public the data indicating the amount of cost, or the estimated cost, required to provide the public facilities and the revenue sources anticipated to fund those public facilities, including general fund revenues. The new or increased fee shall be effective no earlier than 60 days following the final action on the adoption or increase of the fee, unless the city, county, or city and county follows the procedures set forth in subdivision (b) of Section 66017.

(c) If a city, county, or city and county receives a request for mailed notice pursuant to this section, or a local agency receives a request for mailed notice pursuant to Section 66016, the city, county, or city and county or other local agency may provide the notice via electronic mail for those who specifically request electronic mail notification. A city, county, city or county, or other local agency that provides electronic mail notification pursuant to this subdivision shall send the electronic mail notification to the electronic mail address indicated in the request. The electronic mail notification authorized by this subdivision shall operate as an alternative to the mailed notice required by this section.

Section 66022.

(a) Any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion adopting a new fee or service charge, or modifying or amending an existing fee or service charge, adopted by a local agency, as defined in Section 66000, shall be commenced within 120 days of the effective date of the ordinance, resolution, or motion.

If an ordinance, resolution, or motion provides for an automatic adjustment in a fee or service charge, and the automatic adjustment results in an increase in the amount

of a fee or service charge, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 120 days of the effective date of the increase.

(b) Any action by a local agency or interested person under this section shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(c) This section shall apply only to fees, capacity charges, and service charges described in and subject to Sections 66013, 66014, and 66016.

Appendix B

Development Projects and EDU Summary Calculation Technical Memorandum



COASTLAND

CIVIL ENGINEERING - CONSTRUCTION MANAGEMENT - BUILDING DEPARTMENT SERVICES

Final Technical Memorandum

Date: September 8, 2017

To: Rancho Murieta Community Services District

From: John Griffin
Marc Fernandez

Reviewed By: Dane Schilling

Subject: Development Projects and EDU Calculation Summary

In support of the Rancho Murieta Community Services District (District) Water Supply Augmentation Fee Update and Capital Improvement Fee Update, Coastland has prepared this Development Projects and Equivalent Dwelling Unit (EDU) Calculation Summary Technical Memorandum (Tech Memo) to summarize the various development projects within the District's service area that are in various stages of the entitlement process and will contribute funding toward the water supply augmentation and capital improvements projects identified in the Water Supply Augmentation Capital Improvements Program Tech Memo and the Facilities Capital Improvements Program Tech Memo. This Tech Memo also provides a summary of the overall methodology for determining water usage of the various land uses currently identified in the development projects and the calculations supporting the determination of EDUs for these various development projects.

BACKGROUND

The District was formed in 1982 by State Government Code 61000 to provide essential services in Rancho Murieta. The District provides essential services to an area of 3,500 acres located in eastern Sacramento County. Land use decisions within the District are governed by Sacramento County. The current population within the District is approximately 5,600 people.

DEVELOPMENT PROJECT SUMMARY

While a majority of the service area within the District is developed, there are a number of development projects that are either currently entitled or in the entitlement process with Sacramento County. Table 1 summarizes the name of each development project, identifies the current status of the project, identifies the number of residential dwelling units by land use

Santa Rosa
1400 Neotomas Avenue
Santa Rosa, CA 95403

Auburn
11865 Edgewood Road
Auburn, CA 95603
www.coastlandcivil.com

category, EDU counts for each project, and overall EDU total. Additional information on the various residential land use categories is discussed later in this Tech Memo.

A map of the service area and the location of the various development projects is presented as Figure 1. Below is a brief summary of each development project. More information on each project can be found on the Sacramento County website - <http://www.per.saccounty.net/PlansandProjectsIn-Progress/Pages/default.aspx>.

Riverview

The Riverview subdivision will be located in the southerly part of Rancho Murieta, west of Lakes 10 and 11. Based on the approved tentative map, the Riverview subdivision encompasses approximately 57 acres proposed for development of 140 single family residential lots.

Lakeview

The Lakeview subdivision will be located in the southerly part of Rancho Murieta, east of Lakes 10 and 11. Based on the approved tentative map, the Riverview subdivision encompasses approximately 40 acres proposed for development of 99 single family residential lots.

Residences of Murieta Hills – East and West

The Residences at Murieta Hills will be located in the northwest corner of the District boundaries. This proposes the development of 198 residential homes on approximately 146 acres.

Retreats West, North, and East

This project proposes the development of 84 residential units on approximately 18 acres south of Murieta Parkway and west of De La Cruz Parkway. For the purposes of calculating EDUs for this project, the number of residential units has been reduced by 18 to reflect fees already paid to the District.

Murieta Gardens

This project is a mixed use commercial and residential development project located southeast of the intersection of Highway 16 and Murieta Drive.

The concept of the commercial component currently consists of a hotel, commercial pads, restaurants, and a self-storage facility. The hotel is currently under construction and is expected to be completed in Spring 2017. Construction of the other development phases and components are scheduled to be completed by Fall 2018.

Based on development agreements, the commercial component of the project is anticipated to equate to 71 equivalent dwelling units. The residential component consists of 78 residential units on approximately 16 acres.

Industrial/Commercial/Residential 39

This project consists of a 40 acre undeveloped commercial site located on the south side of Highway 16 just west of the District's Wastewater Treatment Plant (WWTP). The proposed specific uses for this project are undetermined by the developer at this time. According to the



Preliminary Sewer Study for Rancho Murieta North, the sewer demand is anticipated to be equivalent to approximately 160 residential units.

Rancho North

The proposed Rancho Murieta North project is on approximately 732 residential, recreational, and open space acres of land located easterly part of Rancho Murieta. The project consists of a total of eight villages and is currently in the entitlement process with Sacramento County. Various iterations of the project have been submitted to the County during the public review process. A brief description of the current plan for each of the eight villages is below.

- Village A will encompass a total of 215 lots of various sizes (ranging from estate lots between 12,000 and 24,000 square feet to cluster lots) on approximately 95 acres.
- Village B will encompass a total of 136 estate lots between 12,000 and 24,000 square feet on approximately 74 acres.
- Village C will encompass a total of 128 of various sizes (ranging from estate lots of less than 12,000 square feet to cluster lots) on approximately 63 acres.
- Village D will encompass a total of 28 estate lots greater than 24,000 square feet on approximately 38 acres.
- Village E will encompass a total of 32 lots of various sizes (ranging from estate lots greater than 24,000 square feet to estate lots between 12,000 and 24,000 square feet) on approximately 63 acres.
- Village F will encompass a total of 90 lots, primarily estate lots of less than 12,000 square feet on approximately 77 acres.
- Village G will encompass a total of 50 lots, estate lots between 12,000 and 24,000 square feet on approximately 112 acres.
- Village H will encompass a total of 116 lots of various sizes (ranging from estate lots of less than 12,000 square feet to cluster lots) on approximately 70 acres.

Parks

Although parks have been constructed and water service provided, prior policies adopted by the District's Board allowed these fees to be deferred.

Others

Projects that are currently undefined or with limited information, such as Lookout Hill and FAA Commercial, that are anticipated to develop at some point in the future.



Apartment 17

The proposed apartments will be located northeast of the intersection of Highway 16 and Murieta Drive encompassing approximately 18 acres proposed for the development of 170 residential units.

EDU CALCULATION SUMMARY

The District's current fee methodology utilizes a number of residential and non-residential land use designations in determination of the EDUs applicable to the calculation of water supply augmentation and capital improvement fees. Based on the development project descriptions above, a number of new designations have been added.

The applicable residential and non-residential land use designations along with the new EDU value are summarized in Table 2. Several residential land use designations remain unchanged. A discussion of the calculations for each land use type is provided below. Consistent with prior District fee studies and ordinances, for the purposes of calculating water usage per EDU, the assumption was unchanged (750 gallons per day equals 1 EDU).

Residential Land Use Designations

Three new residential land use categories were added, triggered by the current tentative maps for the Rancho North Project:

- Estate lots greater than 24,000 square feet
- Cluster 'B' lots
- Cluster 'A' lots

In order to determine the potable water demand for these three residential land use categories, assumptions from the Water Supply Assessment Report for the Rancho North Project were followed. The main assumptions are as follows:

- Cluster 'A' lots are similar to Sacramento County land use category RD-15.
- Cluster 'B' lots are similar to Sacramento County land use category RD-7.
- Three persons per household, each using 60.7 gallons indoor daily.
- Irrigated, landscaped area for estate lots greater than 24,000 square feet, Cluster 'A' lot, and Cluster 'B' lots is 33,000 square feet, 1,500 square feet and 2,600 square feet, respectively.
- Annual water demand for irrigated, landscaped area is 31.2 gallons per square foot, with 60% of annual demands met by potable water and 40% of annual demands met by recycled water.

The water demands for all other residential land use categories identified below were unchanged from prior studies.

- Estate lots between 12,000 and 24,000 square feet (previously estate lots equal to or greater than 12,000 square feet)
- Estate lots less than 12,000 square feet
- Cottage and circle lots



- Townhouse, duplex, and lodge lots
- Murieta Village lots

Commercial, Industrial, and Institutional Land Use Designations

The methodology to determine EDU for commercial, industrial, and institutional projects was revised. Prior methodology was based on type of project and equated to the overall developed square footage of the project. The new methodology is based on equating the project meter size to a standard one inch meter, utilizing the instantaneous demand and American Water Works Association (AWWA) standards. Below is a breakdown by meter size:

- 1" meter = 1 EDU
- 1.5" meter = 2 EDUs
- 2" meter = 3.2 EDUs
- 3" meter = 6.4 EDUs
- 4" meter = 10 EDUs
- 6" meter = 20 EDUs
- 8" meter = 32 EDUs

The methodology acknowledges that instantaneous demands from commercial, industrial, and institutional projects have a larger impact on the water system in comparison to a single-family residential connection. AWWA standards were used as these equate larger meters to a standard one-inch meter used for a single-family residential connection.

Table 1 – Development Projects EDU Calculations

Table 2 – Land Use Designation EDU Calculations

Figure 1 – Development Project Map



Table 1
Development Projects EDU Calculations
Development Projects and EDU Summary Technical Memorandum

Name of Development	Status of Application	Number of Dwelling Units by Residential Land Use Category								Non-Residential EDUs	Total EDUs for Project
		Estate >24,000 SF	Estate between 12,000 SF and 24,000 SF	Estate <12,000 SF	Cluster 'B' lots	Cluster 'A' lots	Cottage and circle lots	Townhouse, duplex, and lodge lot	Murieta Village lot		
Riverview	Entitled	0	8	132	0	0	0	0	0	0	126.8
Lakeview	Entitled	0	0	99	0	0	0	0	0	0	89.1
Residences – East	Entitled	4	0	95	0	0	0	0	0	0	95.5
Residences – West	Entitled	0	0	99	0	0	0	0	0	0	89.1
Retreats West, North, and East ^a	Entitled	0	0	0	0	0	66	0	0	0	46.2
Murieta Gardens (commercial) ^b	Entitled	0	0	0	0	0	0	0	0	71	71.0
Murieta Gardens (residential)	Entitled	0	0	78	0	0	0	0	0	0	70.2
Industrial/Commercial/Residential 39 ^c	Pending	0	0	0	0	0	0	0	0	160	160.0
Village A (Terrace)	Pending	0	20	51	28	116	0	0	0	0	119.1
Village B (River Canyon)	Pending	0	136	0	0	0	0	0	0	0	136.0
Village C (Highlands)	Pending	0	0	24	32	72	0	0	0	0	61.2
Village D (Granlee)	Pending	28	0	0	0	0	0	0	0	0	70.0
Village E (The Village at Lake Jean)	Pending	17	15	0	0	0	0	0	0	0	57.5
Village F (Chesbro Square)	Pending	0	0	90	0	0	0	0	0	0	81.0
Village G (Calero East)	Pending	0	50	0	0	0	0	0	0	0	50.0
Village G (Calero West)	Pending										
Village G (Calero North)	Pending										
Village H (Calero South)	Pending	0	0	84	16	16	0	0	0	0	88.4
Parks ^d	Constructed/Pending	0	0	0	0	0	0	0	0	246	246.0
Others ^e	Future	0	0	0	0	0	0	0	0	10	10.0
Apartment 17 ^f	Unknown	0	0	0	0	0	0	0	170	0	51.0
TOTAL											1,718.1

Notes

EDU = Equivalent Dwelling Unit

a = 84 total EDUs; however 18 EDUs of fees already paid.

b = EDU count based on allocation in Financing and Services Agreement.

c = Industrial/Commercial/Residential 39: EDU count based on Recycled Water PDR.

d = Parks are on-line and fees to be paid at a later date per agreement with District.

e = For projects with minimal information, such as Lookout Hill and FAA Commercial.

f = Dwelling unit count based on Recycled Water PDR.

Table 2
Land Use Designation EDU Calculations
Development Projects and EDU Summary Technical Memorandum

Land Use Designation	EDUs - Current	GPD - Current	EDUs - Proposed	GPD - Calculated	Notes
RESIDENTIAL					
Estate lot greater than 24,000 SF	-	-	2.5	1,875	New service type. Consumption based on data from WSA.
Cluster 'B' lot	-	-	0.45	325	New service type. Consumption based on data from WSA.
Cluster 'A' lot	-	-	0.35	265	New service type. Consumption based on data from WSA.
Estate lot between 12,000 SF & 24,000 SF	1.0 EDU/lot	750	1	750	Existing, unchanged
Estate lot less than 12,000 SF	0.9 EDU/lot	675	0.9	675	Existing, unchanged
Cottage and circle lots	0.7 EDU/lot	525	0.7	525	Existing, unchanged
Townhouse and duplex	0.5 EDU/lot	375	0.5	375	Existing, unchanged
Villas and Murieta Village lot	0.3 EDU/lot	225	0.3	225	Existing, unchanged
COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL					
Business & Professional Office	0.1 EDU/1,000 SF	1,500	Methodology changed to meter size. See CII EDU Breakdown in notes below.		
Airport and Light Industrial	0.1 EDU/1,000 SF	1,500			
Retail & Commercial	0.2 EDU/1,000 SF	3,000			
Clubhouse and Community Buildings	0.5 EDU/1,000 SF	7,500			
Hotel/Motel	0.5 EDU/1,000 SF	7,500			
Restaurants	2.0 EDU/1,000 SF	6,000			
Parks (not irrigated with reclaimed water)	3.5 EDUs/acre	5,250	4 EDUs/acre	6,000	Based on 33,000 SF irrigated per acre

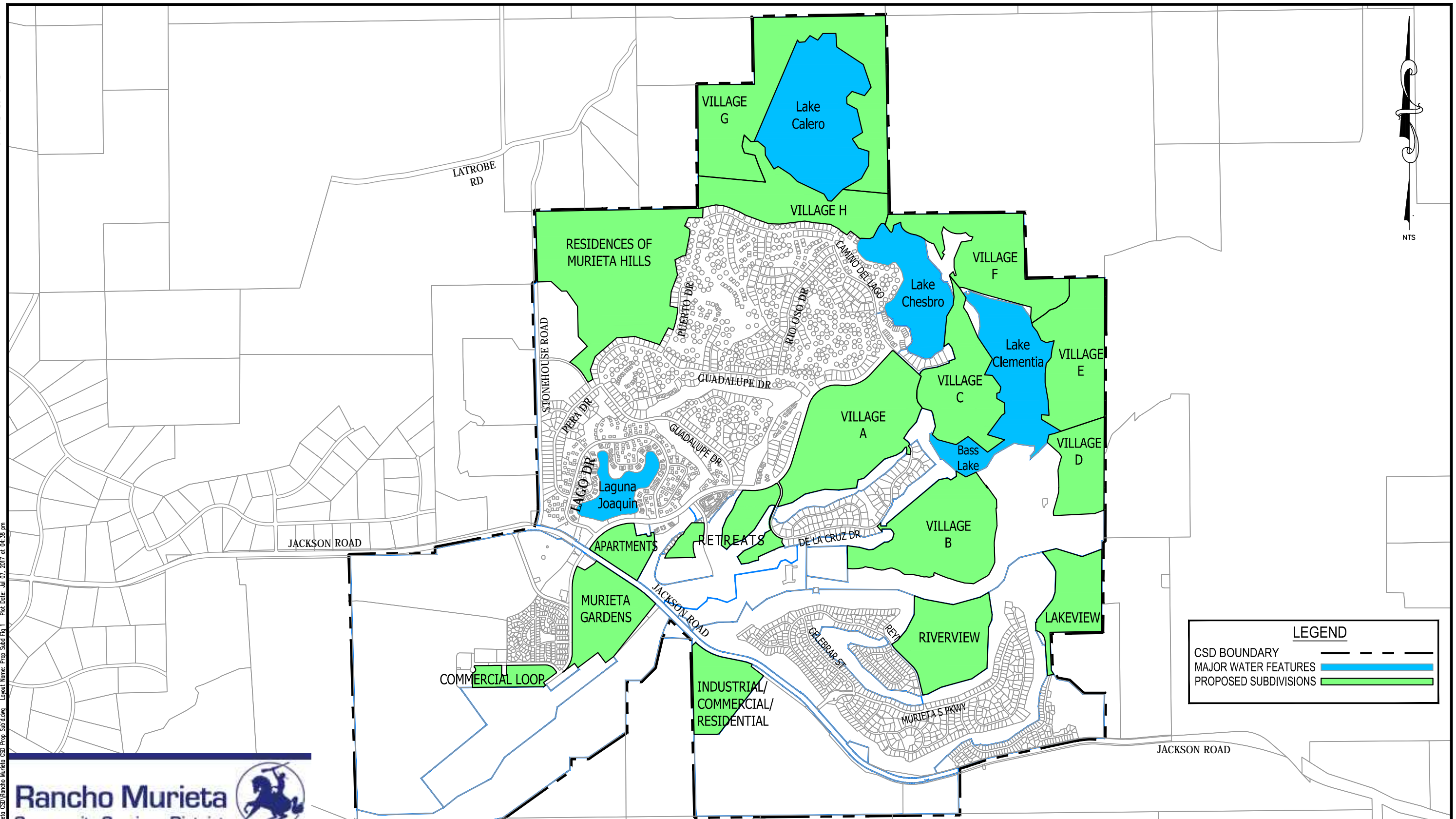
Notes

1 EDU = 750 gpd, consistent with current District methodology.

Proposed EDUs are rounded to nearest tenth.

ORIGINAL PLOT DATE:

Images: Rancho Murieta\Prop\Subd\Fig 1 - Plot Date: Jul 07, 2017 at 04:38 pm
Files: E:\BMAP-STD\Rancho Murieta CSD Prop Sub\Subd\Layout Name: Prop Subd\Fig 1 - Plot Date: Jul 07, 2017 at 04:38 pm



LEGEND

- CSD BOUNDARY
- MAJOR WATER FEATURES
- PROPOSED SUBDIVISIONS

Rancho Murieta
Community Services District
Serving the community for over 30 years.

Coastland Civil Engineering, Inc.
11865 Edgewood Road, Auburn, CA 95603
530.888.9929 530.889.9979 Fax

FIGURE 1
RANCHO MURIETA CSD
COMMUNITY SERVICES DISTRICT
PROPOSED SUBDIVISIONS

Appendix C

Water Supply Augmentation Project – Recycled Water Program Technical Memorandum



Technical Memorandum

Date: June 27, 2017

To: Rancho Murieta Community Services District

From: John Griffin
Marc Fernandez

Reviewed By: Dane Schilling

Subject: Water Supply Augmentation Project – Recycled Water Program

In support of the Rancho Murieta Community Services District (District) Water Supply Augmentation Fee Update, Coastland has prepared this technical memorandum to summarize the various recycled water projects that are necessary for the Phase 1 - Initial Buildout and Phase 2 – Complete Buildout of the District’s Recycled Water Program. As a result of the January 2016 Water Supply Assessment report, the District is recommending that the Recycled Water Program be identified / defined as the Water Supply Augmentation project moving forward. The Water Supply Assessment report identified that with the reduction in potable water demands afforded by the implementation of the Recycled Water Program the augmentation well, which is currently defined as the Water Supply Augmentation project, is no longer necessary to augment water supply during periods of extreme drought.

Below is a brief summary of each recycled water project. More detail is provided in the report titled “Recycled Water Program, Preliminary Design Report” by Kennedy/Jenks Consultants, January 2017, and the attached CIP Data Sheets. It should be noted, that estimated costs contained in the CIP Sheets are representative of current construction costs and do not reflect adjustments for construction in future years.

Phase 1 - Initial Buildout:

Recycled Water SCADA Control System (CIP 17-5-01)

Located at the wastewater treatment plant, SCADA (Supervisory Control and Data Acquisition) is a combination of hardware and software that monitors systems operations, collects data, and programs controls to the District’s recycled water distribution network.

Equalization Basin Potable Water Air Gap (CIP 17-5-02)

This improvement requires connection to the existing 8-inch (in) potable water pipeline located immediately north of the equalization basin at the wastewater treatment plant, installing an 8-in extension to the equalization basin, and installing an 8-in air gap connection to deliver potable water to the equalization basin for periods of peak demand.

Recycled Water Pumping Station (CIP 17-5-03)

The improvement is to provide adequate pumping capabilities to the North Golf Course Transmission Main through the rehabilitation of the existing Recycled Water Pumping Station.

District Headquarters Conversion (CIP 17-5-04)

This improvement will disconnect two existing potable water irrigation services associated with the District's Administration Building and connect to the Recycled Water Pumping Station for irrigation supply.

Northwest Recycled Water Transmission Main (CIP 17-5-05)

The Northwest Recycled Water Transmission Main will convey recycled water from the Yellow Bridge to Stonehouse and Escuela Parks. The transmission main consists of four components: Highway 16 undercrossing and connection to existing 12" recycled water line, extension of the 12" recycled water line on Legacy Lane, possible renovation or replacement of an existing abandoned 12" force main, and interconnection of piping between the existing booster pump station and active force main.

Lookout Hill Booster Pump Station (CIP 17-5-06)

This improvement will construct a booster pump station will be located downstream of the Lookout Hill storage tank, and will be used to support delivery of recycled water to western portion of the District, in tandem with the Lookout Hill Water Storage Tank project.

Escuela Park Conversion (CIP 17-5-07)

This improvement will disconnect the existing potable water irrigation service associated with Escuela Park and connect to the Northwest Recycled Water transmission main for irrigation supply.

Stonehouse Park Conversion (CIP 17-5-08)

This improvement will disconnect the existing potable water irrigation service associated with the Rancho Murieta North community and connect to the Northwest Recycled Water transmission main for irrigation supply.

Lookout Hill Water Storage Tank (CIP 17-5-09)

The existing tank located near the top of Lookout Hill will be demolished and a new 200,000 gallon bolted steel tank made of bolted panels with powder coated finish will be erected in its place or next to the existing tank.



North Main Gate Conversion (CIP 17-5-10)

This improvement will disconnect the existing potable water irrigation service associated with the Rancho Murieta North community entrance and connect to the Northwest Recycled Water transmission main for irrigation supply.

Commercial Loop Conversion (CIP 17-5-11)

This improvement will disconnect the existing potable water irrigation service associated with the Murieta Plaza Commercial area and connect to the Lone Pine drive Recycled Water transmission main for irrigation supply and connect on Cantova Drive to supply the southern commercial (Operating Engineers to FAA) areas.

Phase 2 - Complete Buildout:

SCADA Upgrades (CIP 17-5-12)

This improvement will modify and upgrade the existing SCADA system to allow for level monitoring and control of valves at Bass Lake.

Disinfection Facility Upgrade (CIP 17-5-13)

This improvement will remove a chlorine contact pipe and construct a chlorine contact chamber to increase disinfection facilities capacity from 2.3 to 3.0 MGD.

North Golf Course Conveyance System (CIP 17-5-14)

This improvement consists of rehabilitation of the existing 12" and 8" recycled water conveyance pipelines that serve the north golf course. Approximately 5,700 linear feet of 8" pipe is need of replacement or repair. A condition assessment is required to determine additional rehabilitation needs for the 12" pipeline.

Bass Lake Tank (CIP 17-5-15)

This improvement will construct a 500,000 gallon storage tank at Bass Lake to supplement recycled water production and storage capacities.

Bass Lake Booster Pump Station (CIP 17-5-16)

This improvement will construct a booster pump station will be located downstream of the Bass Lake storage tank, and will be used to support delivery of recycled water.

Seasonal Storage Reservoir Expansion (CIP 17-5-17)

This improvement consists of modification to the existing reservoir to provide additional storage for secondary effluent.

Tertiary Pump Station Pump Replacement (CIP 17-5-18)

This improvement will replace the third tertiary pump station feed pump to the dissolved air flotation units. This improvement is required for wastewater treatment plant production capacity.



TABLE 1 - WATER SUPPLY AUGMENTATION PROJECT SUMMARY

Project Number	Project Name	Project Estimate
Recycled Water Projects		
17-5-01	Recycled Water SCADA Control System	\$331,250
17-5-02	Equalization Basin Potable Water Air Gap	\$100,700
17-5-03	Recycled Water Pumping Station	\$1,384,625
17-5-04	District Headquarters Conversion	\$26,500
17-5-05	Northwest Recycled Water Transmission Main	\$1,909,325
17-5-06	Lookout Hill Booster Pump Station	\$810,900
17-5-07	Escuela Park Conversion	\$21,200
17-5-08	Stonehouse Park Conversion	\$47,700
17-5-09	Lookout Hill Water Storage Tank	\$722,125
17-5-10	North Main Gate Conversion	\$23,850
17-5-11	Commercial Loop Conversion	\$33,125
17-5-12	SCADA Upgrades	\$108,650
17-5-13	Disinfection Facility Upgrade	\$881,125
17-5-14	North Golf Course Conveyance System	\$2,146,500
17-5-15	Bass Lake Tank	\$1,611,200
17-5-16	Bass Lake Booster Pump Station	\$828,125
17-5-17	Seasonal Storage Reservoir Expansion	\$1,099,750
17-5-18	Tertiary Pump Station Pump Replacement	\$132,500
Recycled Water Project Total		\$12,219,150

Attachment A – Project Data Forms



**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

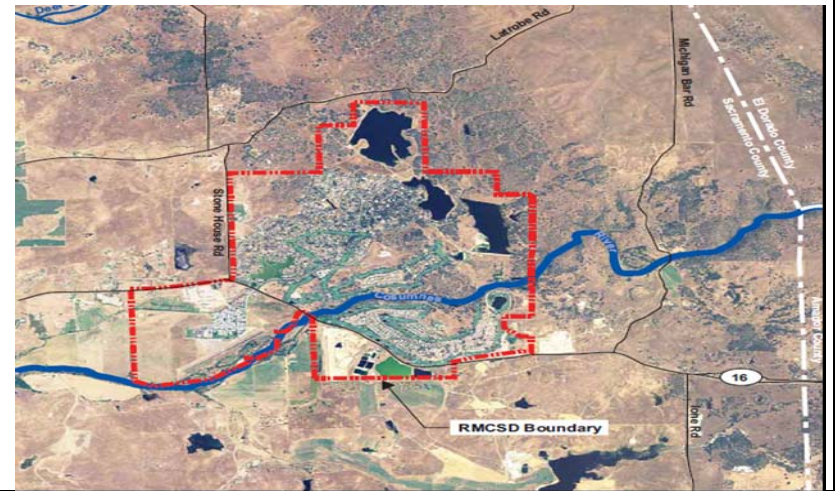
Project Number:	17-5-01	Project Name:	Recycled Water SCADA Control System
Location:	Wastewater Treatment Plant	Project Type:	Recycled Water

Description: Hardware and Software Purchase and Integration

Wastewater Treatment Plant

Justification: Administrative

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$12,500	\$12,500
	Planning/Environmental		\$12,500	\$12,500
	Engineering		\$25,000	\$25,000
	Construction		\$250,000	\$250,000
	Construction Management/Inspection		\$31,250	\$31,250
	Total	\$0	\$331,250	\$331,250

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

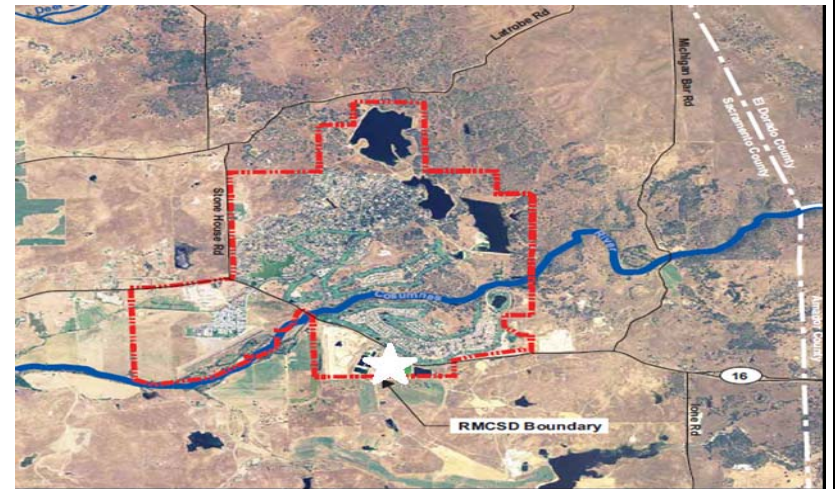
Project Number:	17-5-02	Project Name:	Equalization Basin Potable Water Air Gap
Location:	Wastewater Treatment Plant	Project Type:	Recycled Water

Description: Various Piping Connections to Equalization Basin

Wastewater Treatment Plant

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$3,800	\$3,800
	Planning/Environmental		\$3,800	\$3,800
	Engineering		\$7,600	\$7,600
	Construction		\$76,000	\$76,000
	Construction Management/Inspection		\$9,500	\$9,500
	Total	\$0	\$100,700	\$100,700

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

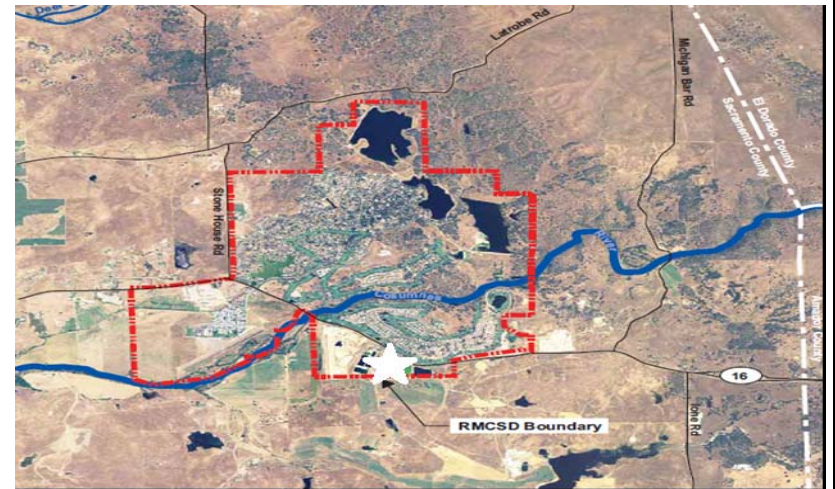
Project Number:	17-5-03	Project Name:	Recycled Water Pumping Station
Location:	Wastewater Treatment Plant	Project Type:	Recycled Water

Description: Rehabilitation of Existing Recycled Water Pumping Station

Wastewater Treatment Plant

Justification: Facility Improvement

Notes:



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Project Administration		\$52,250	\$52,250
	Planning/Environmental		\$52,250	\$52,250
	Engineering		\$104,500	\$104,500
	Construction		\$1,045,000	\$1,045,000
	Construction Management/Inspection		\$130,625	\$130,625
	Total	\$0	\$1,384,625	\$1,384,625

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

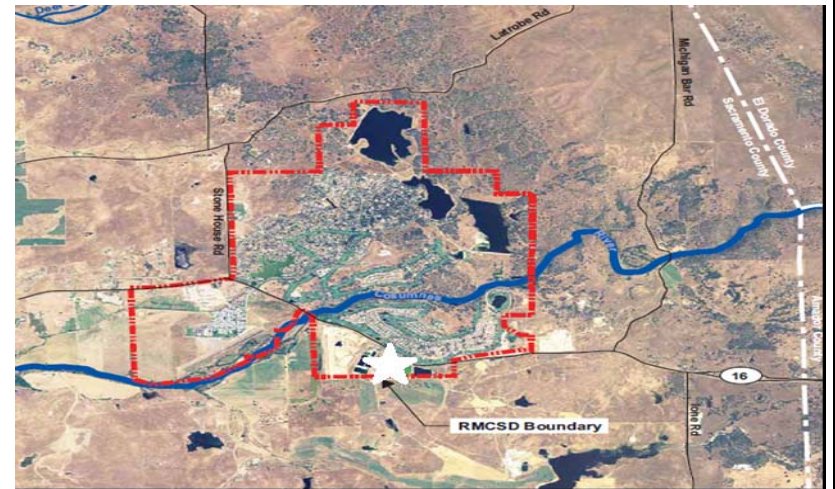
Project Number:	17-5-04	Project Name:	District Headquarters Conversion
Location:	District Headquarters	Project Type:	Recycled Water

Description: Conversion of District Headquarters Irrigation to Recycled Water

Rancho Murieta Community Services District

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$1,000	\$1,000
	Planning/Environmental		\$1,000	\$1,000
	Engineering		\$2,000	\$2,000
	Construction		\$20,000	\$20,000
	Construction Management/Inspection		\$2,500	\$2,500
	Total	\$0	\$26,500	\$26,500

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

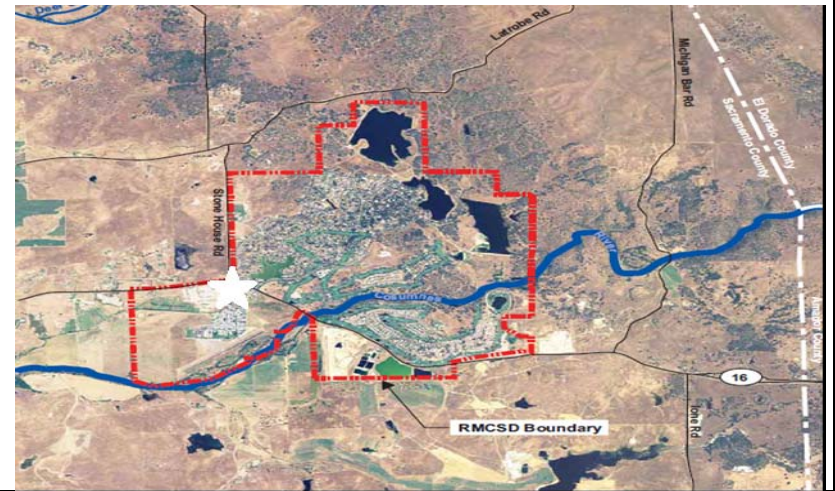
Project Number:	17-5-06	Project Name:	Lookout Hill Booster Pump Station
Location:	Lookout Hill	Project Type:	Recycled Water

Description: Construction of Booster Pump Station at Lookout Hill

Rancho Murieta Community Services District

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$30,600	\$30,600
	Planning/Environmental		\$30,600	\$30,600
	Engineering		\$61,200	\$61,200
	Construction		\$612,000	\$612,000
	Construction Management/Inspection		\$76,500	\$76,500
	Total	\$0	\$810,900	\$810,900

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

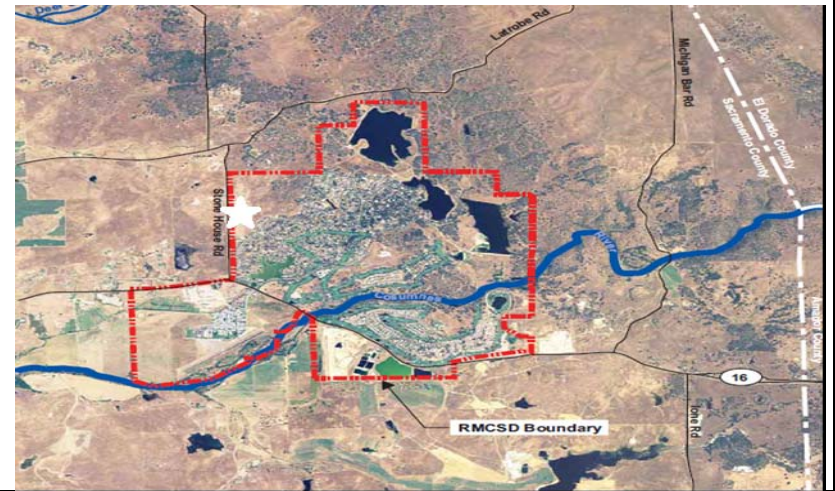
Project Number:	17-5-07	Project Name:	Escuela Park Conversion
Location:	Escuela Park	Project Type:	Recycled Water

Description: Conversion of Escuela Park Irrigation to Recycled Water

Escuela Park

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$800	\$800
	Planning/Environmental		\$800	\$800
	Engineering		\$1,600	\$1,600
	Construction		\$16,000	\$16,000
	Construction Management/Inspection		\$2,000	\$2,000
	Total	\$0	\$21,200	\$21,200

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

Project Number:	17-5-08	Project Name:	Stonehouse Park Conversion
Location:	Stonehouse Park	Project Type:	Recycled Water

Description: Conversion of Stonehouse Park Irrigation to Recycled Water

Stonehouse Park

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$1,800	\$1,800
	Planning/Environmental		\$1,800	\$1,800
	Engineering		\$3,600	\$3,600
	Construction		\$36,000	\$36,000
	Construction Management/Inspection		\$4,500	\$4,500
	Total	\$0	\$47,700	\$47,700

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

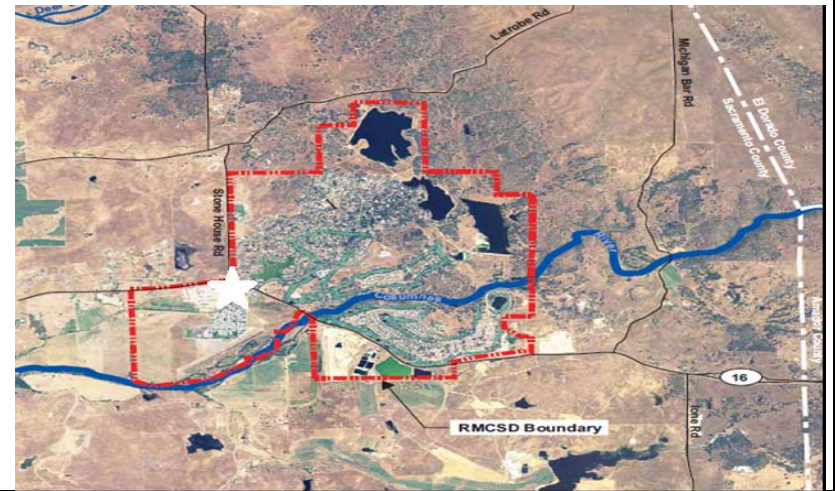
Project Number:	17-5-09	Project Name:	Lookout Hill Water Storage Tank
Location:	Lookout Hill	Project Type:	Recycled Water

Description: Replacement of Existing Water Storage Tank

Rancho Murieta Community Services District

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$27,250	\$27,250
	Planning/Environmental		\$27,250	\$27,250
	Engineering		\$54,500	\$54,500
	Construction		\$545,000	\$545,000
	Construction Management/Inspection		\$68,125	\$68,125
	Total	\$0	\$722,125	\$722,125

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

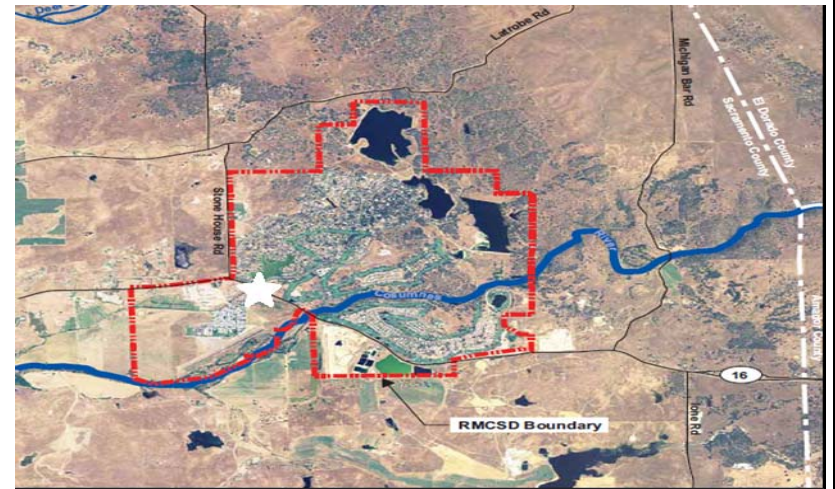
Project Number:	17-5-10	Project Name:	North Main Gate Conversion
Location:	North Main Gate	Project Type:	Recycled Water

Description: Conversion of North Main Gate Irrigation to Recycled Water

North Gate

Justification: Facility Improvement

Notes:



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Project Administration		\$900	\$900
	Planning/Environmental		\$900	\$900
	Engineering		\$1,800	\$1,800
	Construction		\$18,000	\$18,000
	Construction Management/Inspection		\$2,250	\$2,250
	Total	\$0	\$23,850	\$23,850

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

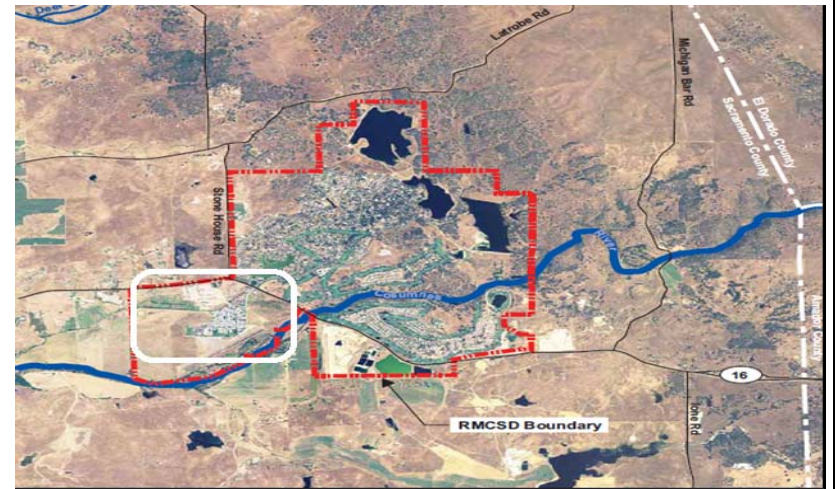
Project Number:	17-5-11	Project Name:	Commercial Loop Conversion
Location:	Commercial District	Project Type:	Recycled Water

Description: Conversion of Irrigation Service to Recycled Water

Rancho Murieta Community Services District

Justification: Facility Improvement

Notes:



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Project Administration		\$1,250	\$1,250
	Planning/Environmental		\$1,250	\$1,250
	Engineering		\$2,500	\$2,500
	Construction		\$25,000	\$25,000
	Construction Management/Inspection		\$3,125	\$3,125
	Total	\$0	\$33,125	\$33,125

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

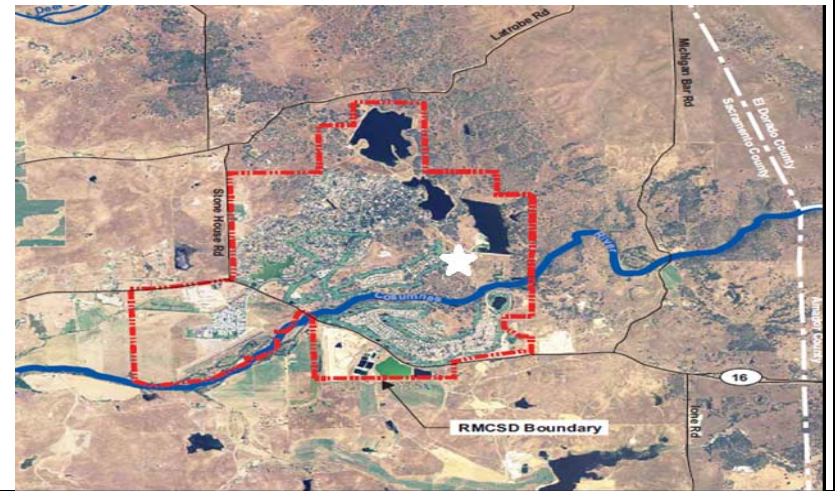
Project Number:	17-5-12	Project Name:	SCADA Upgrades
Location:	Bass Lake	Project Type:	Recycled Water

Description: Hardware and Software Equipment Purchase

Bass Lake

Justification: Administrative

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$4,100	\$4,100
	Planning/Environmental		\$4,100	\$4,100
	Engineering		\$8,200	\$8,200
	Construction		\$82,000	\$82,000
	Construction Management/Inspection		\$10,250	\$10,250
	Total	\$0	\$108,650	\$108,650

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

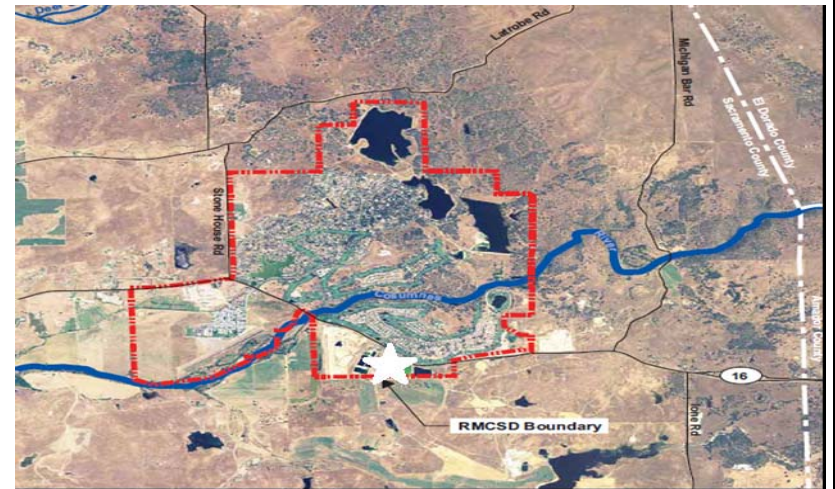
Project Number:	17-5-13	Project Name:	Disinfection Facility Upgrade
Location:	Wastewater Treatment Plant	Project Type:	Recycled Water

Description: Construction of Chlorine Contact Chamber

Wastewater Treatment Plant

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$33,250	\$33,250
	Planning/Environmental		\$33,250	\$33,250
	Engineering		\$66,500	\$66,500
	Construction		\$665,000	\$665,000
	Construction Management/Inspection		\$83,125	\$83,125
	Total	\$0	\$881,125	\$881,125

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

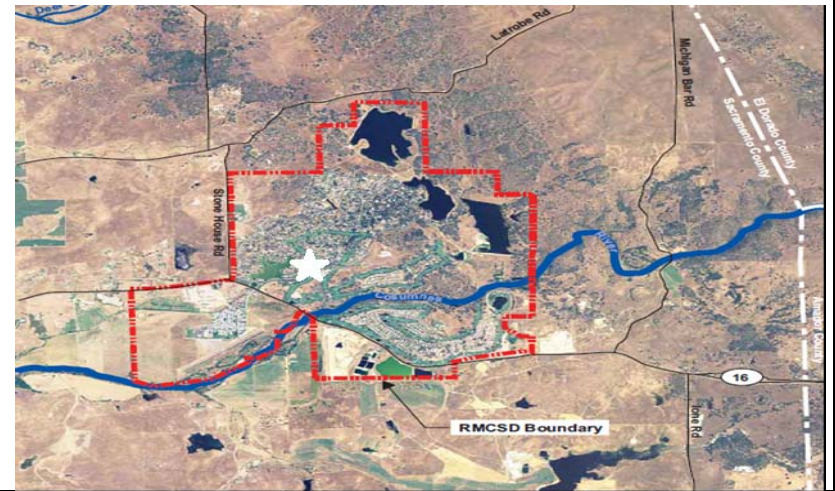
Project Number:	17-5-14	Project Name:	North Golf Course Conveyance System
Location:	RM Country Club	Project Type:	Recycled Water

Description: Construction of Recycled Water Mains

Rancho Murieta Country Club

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$81,000	\$81,000
	Planning/Environmental		\$81,000	\$81,000
	Engineering		\$162,000	\$162,000
	Construction		\$1,620,000	\$1,620,000
	Construction Management/Inspection		\$202,500	\$202,500
	Total	\$0	\$2,146,500	\$2,146,500

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

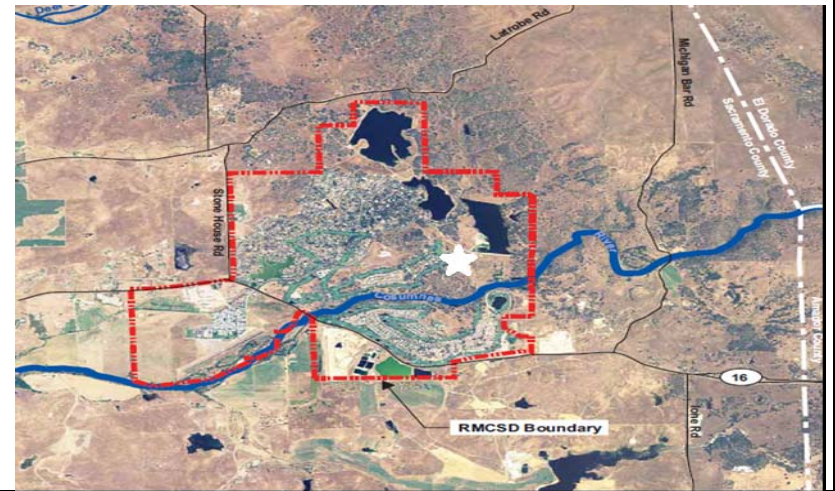
Project Number:	17-5-15	Project Name:	Bass Lake Tank
Location:	Bass Lake	Project Type:	Recycled Water

Description: Construction of Recycled Water Storage Tank

Bass Lake

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$60,800	\$60,800
	Planning/Environmental		\$60,800	\$60,800
	Engineering		\$121,600	\$121,600
	Construction		\$1,216,000	\$1,216,000
	Construction Management/Inspection		\$152,000	\$152,000
	Total	\$0	\$1,611,200	\$1,611,200

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

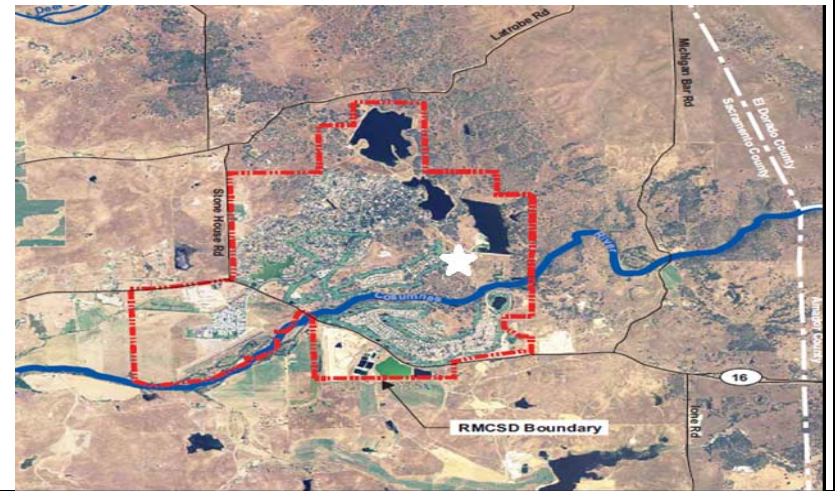
Project Number:	17-5-16	Project Name:	Bass Lake Booster Pump Station
Location:	Bass Lake	Project Type:	Recycled Water

Description: Construction of Booster Pump Station at Bass Lake

Bass Lake

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$31,250	\$31,250
	Planning/Environmental		\$31,250	\$31,250
	Engineering		\$62,500	\$62,500
	Construction		\$625,000	\$625,000
	Construction Management/Inspection		\$78,125	\$78,125
	Total	\$0	\$828,125	\$828,125

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

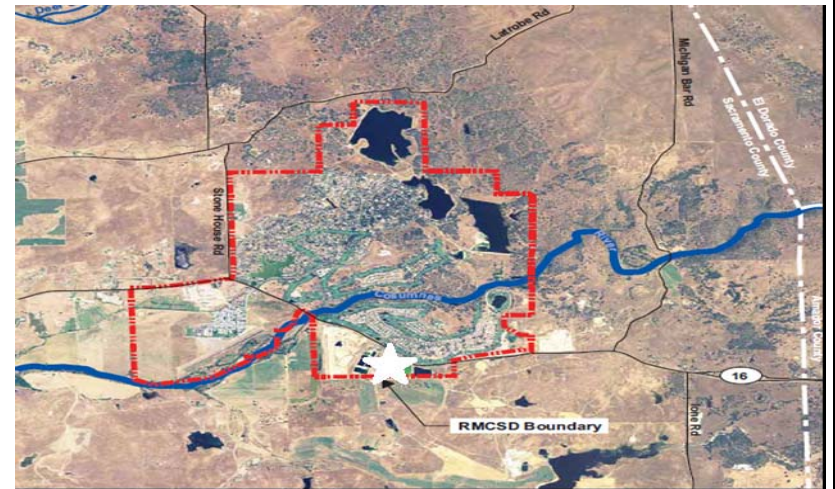
Project Number:	17-5-17	Project Name:	Seasonal Storage Reservoir Expansion
Location:	Wastewater Treatment Plant	Project Type:	Recycled Water

Description: Expansion of Existing Reservoir

Wastewater Treatment Plant

Justification: Facility Improvement

Notes:



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Project Administration		\$41,500	\$41,500
	Planning/Environmental		\$41,500	\$41,500
	Engineering		\$83,000	\$83,000
	Construction		\$830,000	\$830,000
	Construction Management/Inspection		\$103,750	\$103,750
	Total	\$0	\$1,099,750	\$1,099,750

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

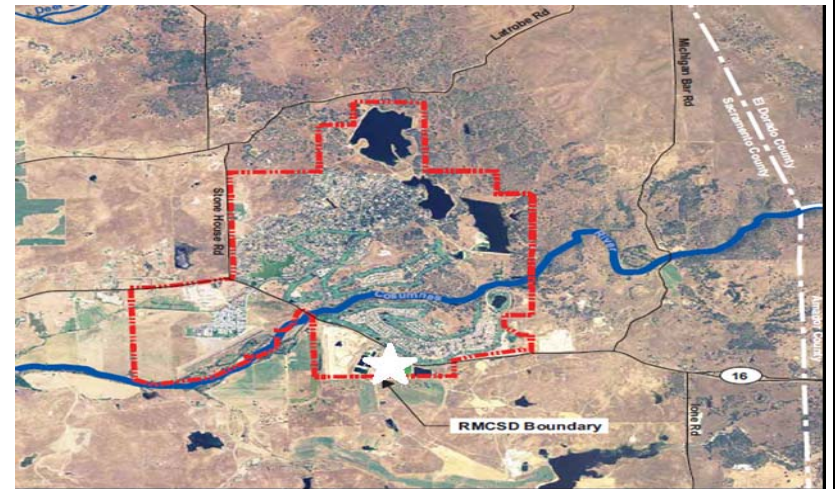
Project Number:	17-5-18	Project Name:	Tertiary Pump Station Pump Replacement
Location:	Wastewater Treatment Plant	Project Type:	Recycled Water

Description: Replacement of Tertiary Pump to Dissolved Air Flootation Units

Rancho Murieta Community Services District

Justification: Facility Improvement

Notes:



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$5,000	\$5,000
	Planning/Environmental		\$5,000	\$5,000
	Engineering		\$10,000	\$10,000
	Construction		\$100,000	\$100,000
	Construction Management/Inspection		\$12,500	\$12,500
	Total	\$0	\$132,500	\$132,500

Appendix D

Facility Capital Improvement Projects Technical Memorandum



COASTLAND

CIVIL ENGINEERING - CONSTRUCTION MANAGEMENT - BUILDING DEPARTMENT SERVICES

Technical Memorandum

Date: August 29, 2017

To: Rancho Murieta Community Services District

From: John Griffin
Marc Fernandez

Reviewed By: Dane Schilling

Subject: Facility Capital Improvement Projects

In support of the Rancho Murieta Community Services District (District) Facility Capital Improvement Fee Update, Coastland has prepared this technical memorandum (Tech Memo) to summarize the various District facility capital improvement projects.

This Tech Memo also provides Project Data Forms that provide basic information about each project and a breakdown of cost by component:

- Administration/Management
- Planning/Environmental
- Engineering
- Construction
- Construction Management/Inspection

Planning level summary sheets of updated construction cost estimates for each of the facility capital improvement projects are provided in support of the construction costs presented in the Project Data Forms. The project components are established as a percentage of construction.

Project data forms and supporting construction cost estimates are incorporated as Attachment A.

BACKGROUND

The District was formed in 1982 by State Government Code 61000 to provide essential services in Rancho Murieta. The District provides essential services to an area of 3,500 acres located in eastern Sacramento County. Land use decisions within the District are governed by Sacramento County. The current population within the District is approximately 5,600 people.

Santa Rosa
1400 Neotomas Avenue
Santa Rosa, CA 95403

Auburn
11865 Edgewood Road
Auburn, CA 95603
www.coastlandcivil.com

FACILITIES CAPITAL IMPROVEMENT PROJECTS SUMMARY

A master list of District facility capital improvement projects has existed and been utilized in the calculation of the capital improvement fee since the mid 1980's. Over the years, the District has completed a number of projects and also added others, completely driven by growth and expansion of the customer base within the service area. As part of the analysis in preparation of this Tech Memo, Coastland and District staff conducted a review of the existing list, eliminating projects that no longer were applicable to serve the District's needs. Coastland and District staff also identified new projects deemed necessary to serve growth and expansion of the customer base within the service area.

Below is a brief summary of each facility capital improvement project.

Water Projects:

Rio Oso Hydropneumatic Station Air Compressor (CIP 17-1-01)

In tandem with CIP 17-1-02 and 17-1-03, this project consists of construction of a turbine (piston-less) air compressor and miscellaneous piping improvements to pressurize the hydropneumatic tank at Rio Oso. Continued growth in the area will place a greater daily and hourly demand on the Rio Oso site, necessitating improvements to the water delivery equipment at the site. This improvement is necessary to control delivery of water serving an increased customer base, mitigating impacts to the system caused by growth and maintaining the existing level of service for the community.

Booster Pump Building at Rio Oso (CIP 17-1-02)

In tandem with CIP 17-1-01 and 17-1-03, this project consists of construction of a new concrete masonry unit (CMU) building with a removable steel roof for the existing booster pumps at the Rio Oso tank site. Miscellaneous site improvements for underground pipes and electrical conduits will be required to accommodate the building at the tank site. Due to the increased water flow demands from development nearby the Rio Oso site and increased levels and duration of noise generated by the equipment to meet the increased demand, the building will mitigate these noise impacts that would otherwise affect existing residents nearby the facility.

Rio Oso Hydropneumatic Tank (CIP 17-1-03)

In tandem with CIP 17-1-01 and 17-1-02, this project consists of installation of a hydropneumatic tank and minor miscellaneous piping improvements at the Rio Oso Tank site. The hydropneumatic tank will help regulate proper system pressure ranges and fluctuations associated with starting and stopping of additional pumps that will be online to meet future development's demands. It will also help to avoid pressure fluctuations which may damage future installation infrastructure, both necessary for the efficient operation of a water supply system. This improvement is necessary to control delivery of water serving an increased customer base mitigating impacts to the system caused by growth and maintaining the existing level of service for the community.

Culvert Crossing at Water Treatment Plant (CIP 17-1-04)

This project consists of drainage improvements to the recently expanded water treatment plant. The new membrane segment of the water treatment plant requires a number of new chemicals to



operate and maintain these membranes to achieve full-life expectancy. These improvements consist of installation of a 4'x6' box culvert and construction of a 20' wide access road for a permanent creek crossing into the water treatment plant, which provides a safer and more reliable route for chemical delivery and maintenance vehicles at the water treatment plant while also complying with stormwater regulations. Without this improvement, chemical deliveries to the facility would be affected at times when the existing creek crossing is flooded.

Dam Road Grading and Resurfacing (CIP 17-1-05)

This project consists of grading and paving of the existing gravel dam roads of Lake Chesbro and Lake Clementia. Paved access roads will receive a roadway structural section of 3" of asphalt on 4" of aggregate base to a width of up to 20'. The structural section is less than residential standards due to the lower anticipated average daily trips. The width may be adjusted during the entitlement process for Rancho North. At Lake Chesbro, access road paving will begin at the northerly end of Camino Del Lago Drive, continue around the eastern side of the lake to the water treatment plant, and terminate at the existing paved portion of the lake access road at the southern end of the lake. At Lake Clementia, access road paving will begin at the intersection of Camino Del Lago Drive and Clementia Circle to the easterly end of the Lake Clementia dam road. Some tree removal is anticipated and mitigation is expected should this occur. These improvements are required due to an increase in the number of trips to the lakes to conduct maintenance and operational inspections and efficiency of water delivery to an increase in its customer base. Growth in the area will also create a larger base of customers using the trails and dam roads for recreational purposes.

Chlorine Gas to Bleach Conversion – Water Treatment Plant (CIP 17-1-06)

This project consists of modifications to the water treatment plant disinfection processes from chlorine gas to sodium hypochlorite (bleach). Due to the heightened security and safety concerns of storing and feeding chlorine gas, increased demand in the use of chlorine gas due to the growth experienced by the District and anticipated increased flows through the water treatment plant created by build-out of the service area, planned development in close proximity to the water plant, and the required transportation of this chemical through the community to the water treatment plant, the District plans to convert from chlorine gas to bleach as the disinfection process. The use of chlorine gas as a disinfection method has declined in the municipal water treatment industry due to risk. This process for treatment is more cost effective, and safer to deliver, store and feed than chlorine gas. The water treatment plant process controls will be modified with new chemical feed pumps and installation of a new 5,000-gallon tank, and piping modification for liquid sodium hypochlorite (bleach), along with demolition of existing equipment and a temporary chlorination system during construction. This conversion will allow the District to more safely and efficiently disinfect its water supply while accommodating additional water treatment demands from a larger customer base. In addition, mitigation of risks associated with growth infringing around the water treatment plant triggers the need for increased safety of the community.

Maintenance Shed at Water Treatment Plant (CIP 17-1-07)

This project consists of construction of prefabricated 20'x40' steel maintenance shed building with rollup door at the water treatment plant for material and equipment storage. Water treatment plant expansion and changes due to increased flows from an expanding customer base create the need to store additional materials and new maintenance equipment that are necessary to accommodate an increase in demands and services placed on the system by build-out of the



service area. This improvement will allow the District staff to operate in an efficient manner due to the various planned improvements to serve a larger customer base, maintaining the existing level of service and mitigating impacts to the system caused by growth.

Emergency Water Supply Well (CIP 17-1-08)

This project consists of a new water supply well located near an unused portion at the south end of Anderson Ranch and drilled to an estimated depth of three hundred feet below ground surface to provide for a secondary, backup water supply for build-out of the service area. The project will also construct pipeline improvements to connect the well to the existing water distribution system. It should be noted that the District has been awarded a RWA grant in the amount of \$494,000 to supplement project costs. Supplementary data and cost estimates are provided in detail in the Technical Memorandum Production Water Well Assessment by Dunn Environmental, Inc., dated December 12, 2013. Costs include pipeline and easement for the pipeline, but do not include treatment, except for chlorine injection.

Sewer Projects:

Sewer/Drainage Hydro Cleaning Truck (CIP 17-2-01)

This project consists of purchasing of a vac-con truck. As growth within the District's service area occurs, the District requires additional equipment that will allow the District to maintain the new infrastructure constructed to support growth in good condition and achieve its full-life expectancy. Vac-Con trucks can be used for multiple applications such as sewer and drainage line cleaning. Purchase of this truck makes these types of operations for the District more efficient when serving a larger customer base.

Material and Equipment Warehouse (CIP 17-2-02)

This project consists of construction of prefabricated 40'x60' steel warehouse building with rollup doors at the wastewater treatment plant between aeration pond 3 and aeration pond 5 for material and equipment storage. Wastewater treatment plant expansion and changes due to increased flows from an expanding customer base create the need to store for materials and new maintenance equipment that are necessary to accommodate an increase in demands and services placed on the system by build-out of the service area. This improvement will allow the wastewater system to operate in an efficient manner due to the various planned improvements that will accommodate additional wastewater treatment flows from a larger customer base.

Drying Bed and Access Road Improvements (CIP 17-2-03)

This project consists of modification of a sludge drying bed located at the southern end of the wastewater treatment plant between Reservoir 1 and Aeration Pond 4. Construction will also include a paved access to the drying beds versus the existing clay roadway, new 80'x80' concrete pad for storing dried solids, modifications to existing piping, constructing new underground piping improvements, installing underdrain cleanouts, and modifying the drying bed design to allow for safer access. The improvements are required for the wastewater treatment plant to accommodate and handle a higher volume of sludge and increased trips generated by an expanding customer base.



Chlorine Gas to Bleach Conversion – Wastewater Treatment Plant (CIP 17-2-04)

This project consists of modifications to the wastewater treatment plant disinfection processes. Due to the heightened security and safety concerns of storing and feeding chlorine gas, increased demand in use of chlorine gas due to the growth experienced by the District and anticipated increased flows to the wastewater treatment plant created at build-out of the service area, and the required transportation of this chemical through the community to the wastewater treatment plant, the District plans to convert the chlorine gas to bleach as the disinfection process. The use of chlorine gas as a disinfection method has declined in the municipal waste treatment industry due to risk. This process for treatment is more cost effective, and safer to deliver, store and feed than chlorine gas. The wastewater treatment plant process controls will be modified with new chemical feed pumps and installation of a new 5,000-gallon tank for liquid sodium hypochlorite (bleach). Improvements will be constructed outside, near the existing chlorine contact chamber. This conversion will allow the District to more safely and efficiently disinfect while accommodating additional wastewater treatment flows from a larger customer base. In addition, mitigation of risks associated with potential growth infringing around the wastewater treatment plant triggers the need for increased safety of the community.

WWTP SCADA Monitoring (CIP 17-2-05)

This project consists of expansion to the wastewater Supervisor Control and Data Acquisition (SCADA) monitoring and control system, compatible with existing and proposed SCADA software and hardware in use by the District. The existing hardware of radio transmission units (RTU's) and programmable logic controls (PLC's) are not sized to handle increased communications that would be generated by system expansion, necessary to serve build-out of the community. The existing components will be replaced with equipment capable of monitoring and controlling the entire filtration and disinfection process at the wastewater treatment plant and various control processes outside of the plant. The project also consists of minor improvements/replacements to flow sensors, valves, and sensor transmitters for the various processes at the wastewater treatment plant. The project also requires purchase of new SCADA software and supporting hardware, along with SCADA workstations to control the upgraded hardware improvements. SCADA system expansion is required to keep the wastewater treatment plant operating in an efficient manner with the various planned improvements that are required to accommodate additional wastewater treatment flows from a larger customer base.

Lift Station Capacity Improvement (CIP 17-2-06)

This project consists of expansion to two existing lift stations; Main North Lift Station and 6B Lift Station to accommodate increased flows from a larger customer base and provide for continued system reliability due to increased flows to minimize the risk of spills. Each of the lift stations will receive upgrades to the wastewater SCADA monitoring and control system. This consists of purchase and installation of RTU's and PLC's. The project also consists of improvements to the lift station flow sensors, valves, and sensor transmitters to be compatible with the SCADA hardware. The Main North Lift Station will also require upsizing of odor control, a new comminutor and pump for the third dry pit/wet pit system, and coatings/lining for concrete. The 6B Lift station will require a third pump, generator, new electrical panel, and minor piping improvements.

Fiber Optic Connection – Wastewater Treatment Plant to Admin. (CIP 17-2-07)

This project consists of installation of approximately one thousand eight hundred (1,800') linear feet of conduit and fiber optic cable between the wastewater treatment plant and District



administration building and minor electrical/telecommunications improvements to the District headquarters and wastewater treatment plant buildings. The current wireless network and wireless repeaters used for communications purposes is outdated and slow. This problem will be exacerbated when future plant expansions occur, as additional communications bandwidth is necessary for increased traffic. This project will replace the existing wireless network that will be unable to keep up with increased network traffic triggered by growth with a fiber optic communication cable and network, allowing the existing system to remain in place in case of emergency. The fiber optic connection is required to accommodate the additional data collection, needed bandwidth for CCTV monitoring, data transfers required to operate the wastewater treatment plant, and enhance the security of the system to allow the District to maintain a high level of customer service when serving a larger customer base.

Piping Connection – Sludge Discharge to Drying Beds (CIP 17-2-08)

This project consists of installation of approximately one thousand linear feet (1,000') of 14" pipe and minor valve improvements. The pipeline will be installed from the wastewater plant's pond drain system at a point near the tertiary pump station to the sludge drying beds adjacent to the drying bed access road. Improvements include a new pump station, which will be confirmed based on elevations of existing underground pipelines. These piping modifications are required to keep the wastewater treatment plant operating in an efficient manner with the various planned improvements that will accommodate additional wastewater flows from a larger customer base and expand the handling capability of the solids dewatering system.

Sludge Dredge and Filter Skids for Ponds (CIP 17-2-09)

This project consists of purchase of a remote controlled flump dredge and a filter skid for the sludge drying beds located at the southern end of the wastewater treatment plant. A flump dredge is used for sludge collection and removal of sludge from the wastewater treatment plant ponds. The filter skid is a mobile filtration system that combines a self-cleaning filter with required pumps, manifolds, and controllers. The skid offers a mobile and easy to install industrial water filter station for the wastewater pumped by the flump dredge. Continued growth within the community will create increased volume of solids at the wastewater treatment plant. This purchase is required to increase handling capacity, minimize maintenance operations, and lower operational costs at the wastewater treatment plant when serving a larger customer base due to increased production of solids caused by increased flows to the Wastewater Treatment Plant.

Headworks (CIP 17-2-10)

This project consists of construction of expanded headworks and odor control systems at the wastewater treatment plant to accommodate additional flows from build-out of the service area. The headworks of a wastewater treatment plant is the initial stage of a complex process. The new headworks will consist of self-cleaning screens with solids compactions and disposal, and odor control unit to be located north of Aeration Pond 1. This will also then be the centralized site that will tie together the north and south force main influent pipelines and provide a single metering point for District inflows, which is necessary as flows increase into the Wastewater Treatment Plant. The headworks will channelize the influent into an open channel to flow through a drum screen and bar screen to effectively remove plastic and non-degradable solids, grit, and other debris from the wastewater instead of flowing into wastewater treatment ponds. Influent will then pass through the odor control unit to neutralize any noxious odors, prior to discharging into Aeration Pond 1. This improvement is required to provide expanded primary screening and treatment capacity at the wastewater treatment plant caused by the increased customer base. It



should be noted, the District previously contracted with Hydrosience Engineer's, Inc. in 2009 to design the headworks. In February 2010, the District suspended the design contract for the engineering design at approximately 50% completed.

Motor Actuated Valve for Sludge Drying Bed (CIP 17-2-13)

This project consists of installation of a motor actuated valve for controlling operations of the sludge drying beds. As growth within the District's service area occurs and flows increase, the District requires mechanical equipment that facilitate operation of the existing infrastructure. The new valve is required to keep the wastewater treatment plant operating in an efficient manner with the various planned improvements that will accommodate additional wastewater flows from a larger customer base and expand the handling capability of the solids dewatering system.

Yellow Bridge Sewer Force Main Improvements (CIP 17-2-14)

This project consists of improvements to the sewer force main on the Yellow Bridge. Increases in flows into the upstream sewer lift stations and increased number of pumping cycles will lead to premature failure of existing exposed sewer infrastructure located on the Yellow Bridge. New mechanical equipment to be installed includes plug valves, air release valves, and containment vault. This new equipment will trigger the need to realign two small segments of the reclaimed water main on the Yellow Bridge. Both mains will need to be dewatered during construction. This improvement will allow the wastewater force main system to operate in an efficient manner due to the various planned improvements that will accommodate additional wastewater treatment flows from a larger customer base.

Anderson Ranch Spray Field 4 (CIP 17-2-15)

This improvement consists of various transmission, distribution and irrigation system improvements at the Anderson Ranch Spray Field. The expansion of reclamation capacity is necessary to comply with existing permit conditions, as the existing reclamation capacity is unable to accommodate increased flows while still complying with the permit conditions during wet weather events.

Drainage Projects:

Commercial Area Drainage Slide Gate Automation (CIP 17-2-11)

This project consists of installation of an automated motor operated valve, float switch, minor electrical controls and an autodialer alarm system on the slide drainage gate in the commercial loop area, with phone service (either wireless or wired), but not incorporated into the District's SCADA system. The intended use of the slide gate is to provide flood protection from the Cosumnes River flows during peak storm rain events. The gate is currently operated manually and must be visually inspected during rain events to determine the need to lower the gate. This project is intended to provide an automated motor control and flow sensors to automatically lower the gate when the Cosumnes River reaches predetermined flood elevations. These improvements will provide flood protection for current and future developments in the commercial loop area while improving District operations for flood protection during storm events.



Stormwater Monitoring Testing Equipment (CIP 17-2-12)

This project consists of purchasing water quality testing equipment. The equipment includes a portable sampling device, portable turbidity meter, portable chemical analyzer, and various miscellaneous appurtenances to monitor and record stormwater quality. This equipment purchase will allow the District to maintain compliance with current National Pollutant Discharge Elimination System (NPDES) requirements and lower operational costs for water quality sampling during storm events. Further, an increased population base will trigger additional monitoring requirements, which the use of these new pieces of equipment will provide.

Trash Containment Structures (CIP 17-2-16)

This project consists of installation of ten trash racks in various locations in the District's drainage shed. The District's MS4 NPDES permit requires collection and removal of trash from the drainage system before runoff enters the Cosumnes River. Instead of requiring each new subdivision to construct de-centralized systems, several centralized systems will be constructed to serve larger regional drainage sheds and water bodies, allowing for a better planned system that meets these regulatory requirements.

Administrative Projects:

District Administration Building Remodel/Expansion (CIP 17-4-01)

This project consists of constructing a 40'x100' addition to the existing District Administration Building. The addition and remodel of eastern half of the building will create additional offices for staff, provide additional storage area for District records and expand the public meeting room for the Districts' Board of Director's and Committee meetings. Additional support staff will be required to maintain efficiency in District administrative, accounting, and field operations when serving an expanded customer base.

ACTIVE PROJECTS

The projects listed below are currently part of the overall facilities capital improvement program and are currently underway. These costs are not factored into the overall program.

Sewer Projects:

Easement Hydro-Jetter [In Process]

This project consists of purchasing of a trailer mounted hydro-jetting machine to be used for sewer and storm drain maintenance applications, where access to facilities lies within a small width easement with limited vehicular access, typically in common areas around homes in the Rancho Murieta North. Purchase of this trailer makes these types of maintenance operations for the District more efficient, thus decreasing maintenance costs when serving a larger customer base.

Water Projects:

Granlees Site Restriction [In Process]

This project consists of site security improvement such as fencing, gates, guardrails, and signs at the Granlees Dam, Granlees fish ladder, and raw water pump station. Supplementary data and



cost estimates are provided in detail in the Granlees Dam Accessibility Restriction Predesign Alternatives Study and Type Selection Report by HDR, Inc., dated December 2005.

Administrative Projects:

Records Storage [In Process]

This project consists of purchase of an electronic document management system and scanning hardware. The district is faced with new challenges from its customer base as demands for instant access to electronic government documents online, such as public records, and heightened security and regulations continue to grow. This system will allow the District to maintain a high level of service for an expanded customer base.

ELIMINATED PROJECTS

The projects listed below were removed from the prior overall Facilities Capital Improvement Program. These costs are not factored into the overall program.

District Radio Transmitter Station	\$15,000
Facilities Triangulation Control System	\$51,000
Security Gates Video Operations Link	\$76,000
Automated Equipment Identification System	\$60,000
Stonehouse Wastewater Plant Closeout	\$60,000
Hydroelectric Generation Facility	\$335,000
North Gate Security Improvements	\$485,000
Chesbro Air Injection System	\$60,000
Capital Improvement Fee Software	\$20,000
Granlees Raw Water Pump Station Electrical	\$60,000
Telemetry and Central Control System	\$500,000
Laguna Joaquin Drainage Channel Lining	\$850,000
Ditch Maintenance Tractor/Mower	\$40,000
Lake Algae Induction System	\$35,000
Drainage Dich Cleaning from Hay Barn to River	\$80,000
Wireless Cloud Costs	\$285,000
CMMS/Websoft	\$200,000
Wireless Network	\$100,000



TABLE 1 - FACILITIES CAPITAL IMPROVEMENT PROGRAM PROJECT SUMMARY

Project Number	Project Name	Project Estimate
Water Projects		
17-1-01	Rio Oso Hydropneumatic Station Air Compressor	\$29,120
17-1-02	Booster Pump Building at Rio Oso	\$508,200
17-1-03	Rio Oso Hydropneumatic Tank	\$213,500
17-1-04	Culvert Crossing at Water Treatment Plant	\$159,880
17-1-05	Dam Road Grading and Resurfacing	\$1,227,600
17-1-06	Chlorine Gas to Bleach Conversion - Water Treatment Plant	\$352,940
17-1-07	Maintenance Shed (20' x 40') at Water Treatment Plant	\$67,480
17-1-08	Emergency Water Supply Well	\$1,043,200
Water Project Total		\$3,601,920
Sewer Projects		
17-2-01	Sewer/Drainage Hydro Cleaning Truck	\$168,000
17-2-02	Material and Equipment Warehouse	\$147,840
17-2-03	Drying Bed and Access Road Improvements	\$605,500
17-2-04	Chlorine Gas to Bleach Conversion - Wastewater Treatment Plant	\$266,140
17-2-05	WWTP SCADA Monitoring	\$225,400
17-2-06	Lift Station Capacity Improvements	\$997,920
17-2-07	Fiber Optic Connection - Wastewater Treatment Plant to Administration Building	\$136,780
17-2-08	Piping Connection - Sludge Discharge to Drying Beds	\$380,660
17-2-09	Sludge Dredge & Filter Skid for Ponds	\$471,240
17-2-10	Headworks	\$641,200
17-2-13	Motor Actuated Valve for Sludge Drying Bed	\$60,000
17-2-14	Yellow Bridge Sewer Force Main Improvements	\$167,000
17-2-15	Anderson Ranch Spray Field 4	\$1,179,250
Sewer Project Total		\$5,446,930
Drainage Projects		
17-2-01	Sewer/Drainage Hydro Cleaning Truck	\$168,000
17-2-11	Commercial Area Drainage Slide Gate Automation	\$55,440
17-2-12	Stormwater Monitoring Testing Equipment	\$43,680
17-2-16	Trash Containment Structures	\$115,000
Drainage Project Total		\$382,120
Administrative Projects		
17-4-01	District Administration Building Remodel/Expansion	\$400,960
Administrative Project Total		\$400,960
Capital Improvement Project Total		\$9,831,930

ATTACHMENT A - PROJECT DATA FORMS

Rancho Murieta Community Services District
Project Name: Rio Oso Hydropneumatic Station Air Compressor
Job Number: 17-1-01

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Air Compressor	1	LS	\$7,500.00	\$7,500.00
2	Misc. Appurtenances	1	LS	\$3,750.00	\$3,750.00
3	230V Service	1	LS	\$4,500.00	\$4,500.00
4	Mobilization (10%)	1	LS	\$1,575.00	\$1,575.00

Subtotal \$17,325.00

20% Contingency \$3,465.00

Total Construction Cost \$20,790.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

Project Number:	17-1-02	Project Name:	Booster Pump Building at Rio Oso
Location:	Rio Oso	Project Type:	Water

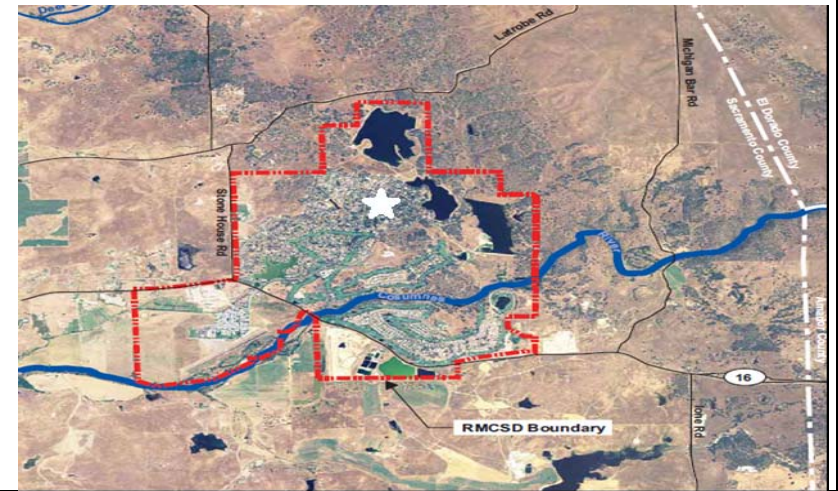
Description: Construction of Booster Pump Station Building

Rio Oso

Justification: Facility Improvement

Notes: Reduce Noise Generation

	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Administration/Management		\$18,150	\$18,150
	Planning/Environmental		\$18,150	\$18,150
	Engineering		\$54,450	\$54,450
	Construction		\$363,000	\$363,000
	Construction Management/Inspection		\$54,450	\$54,450
	Total	\$0	\$508,200	\$508,200



Rancho Murieta Community Services District
Project Name: Booster Pump Station Building at Rio Oso
Job Number: 17-1-02

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	(25'x25') CMU Building w/removable steel roof	1	LS	\$250,000.00	\$250,000.00
2	Site Work	1	LS	\$25,000.00	\$25,000.00
3	Mobilization (10%)	1	LS	\$27,500.00	\$27,500.00
				Subtotal	\$302,500.00
				20% Contingency	\$60,500.00
				Total Construction Cost	\$363,000.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

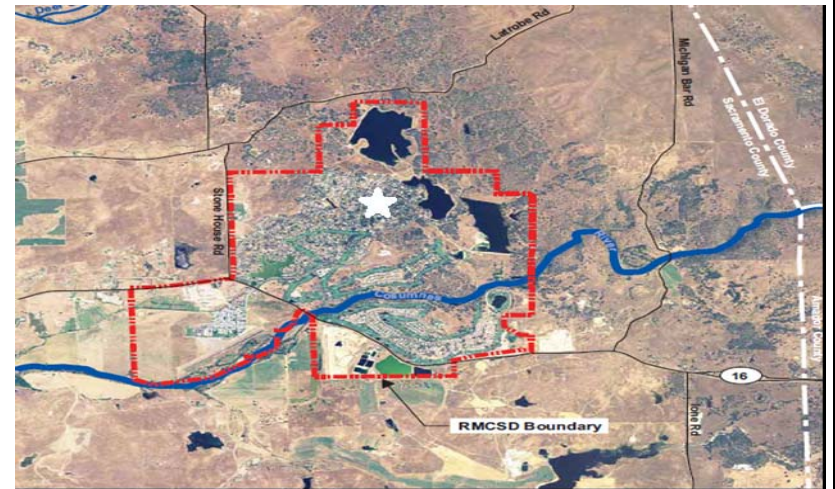
Project Number:	17-1-03	Project Name:	Rio Oso Hydropneumatic Tank
Location:	Rio Oso	Project Type:	Water

Description: Construction of Hydropneumatic Tank at Rio Oso

Rio Oso

Justification: Facility Improvement

Notes: Water System Reliability/Regulation and Noise Reduction



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$7,625	\$7,625
	Planning/Environmental		\$7,625	\$7,625
	Engineering		\$22,875	\$22,875
	Construction		\$152,500	\$152,500
	Construction Management/Inspection		\$22,875	\$22,875
	Total	\$0	\$213,500	\$213,500

Rancho Murieta Community Services District
Project Name: Rio Oso Hydropneumatic Tank
Job Number: 17-1-03

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Hydropneumatic Tank (Tank & Foundation)	1	LS	\$50,000.00	\$50,000.00
2	Valves, Appurtanences, Controls	1	LS	\$25,000.00	\$25,000.00
3	4" - 6" PVC Pipe	100	LF	\$180.00	\$18,000.00
4	Site Work (Electrical, BMPs, Misc. Items)	1	LS	\$15,000.00	\$15,000.00
5	Disinfection & Startup	1	LS	\$7,500.00	\$7,500.00
6	Mobilization (10%)	1	LS	\$11,550.00	\$11,550.00

Subtotal	\$127,050.00
20% Contingency	\$25,410.00
Total Construction Cost	\$152,460.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

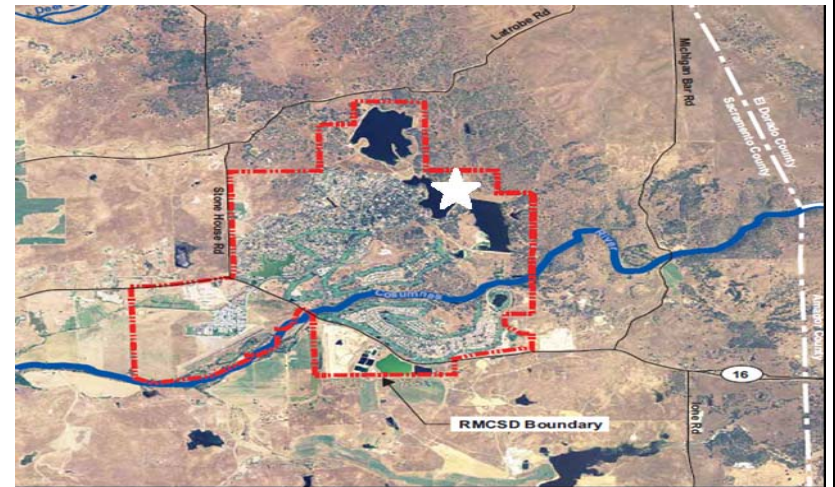
Project Number:	17-1-04	Project Name:	Culvert Crossing at Water Treatment Plant
Location:	Water Treatment Plant	Project Type:	Water

Description: Construction of Drainage Culvert at Water Treatment Plant

Water Treatment Plant

Justification: Facility Improvement

Notes: Water Treatment Plant Operational Efficiency - Vehicle, Chemical Delivery, Maintenance, and Stormwater Quality



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$5,710	\$5,710
	Planning/Environmental		\$5,710	\$5,710
	Engineering		\$17,130	\$17,130
	Construction		\$114,200	\$114,200
	Construction Management/Inspection		\$17,130	\$17,130
	Total	\$0	\$159,880	\$159,880

Rancho Murieta Community Services District
Project Name: Culvert Crossing at Water Treatment Plant
Job Number: 17-1-04

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Pre-Cast Concrete Culvert (4' x 6' x 20')	1	LS	\$23,000.00	\$23,000.00
2	Headwall	1	LS	\$8,000.00	\$8,000.00
3	Roadway Improvements*	1	LS	\$48,000.00	\$48,000.00
4	Streambed Alteration Permit	1	LS	\$1,500.00	\$1,500.00
5	Stormwater Best Management Practices	1	LS	\$6,000.00	\$6,000.00
6	Mobilization (10%)	1	LS	\$8,650.00	\$8,650.00

Subtotal \$95,150.00

20% Contingency \$19,030.00

Total Construction Cost \$114,180.00

- * Assumes a 4" AC / 3" AB, 20' wide (300 LF)
- 4" x 20' x 300' = 145 Tons
- 3" x 20' x 300' = 56 CY
- Grading & Base Compaction

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

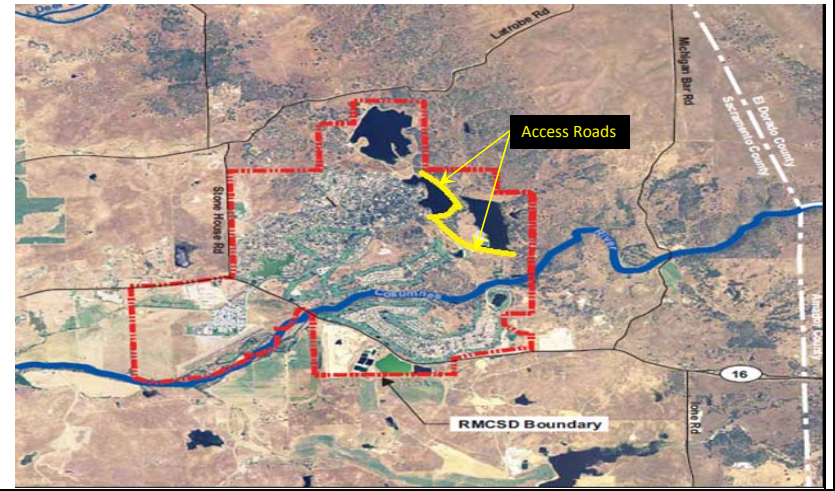
Project Number:	17-1-05	Project Name:	Dam Road Grading and Resurfacing
Location:	Lake Clementia & Lake Chesbro	Project Type:	Water

Description: Upgrade of Existing Dam Roads

Lake Clementia and Lake Chesbro Dam Roads

Justification: Facility Improvement

Notes: Increased Lake Inspections, Customer Recreational Use



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$40,920	\$40,920
	Planning/Environmental		\$122,760	\$122,760
	Engineering		\$122,760	\$122,760
	Construction		\$818,400	\$818,400
	Construction Management/Inspection		\$122,760	\$122,760
	Total	\$0	\$1,227,600	\$1,227,600

Rancho Murieta Community Services District
Project Name: Dam Road Grading and Resurfacing
Job Number: 17-1-05

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Roadway Improvements*	1	LS	\$600,000.00	\$600,000.00
2	Clearing and Grubbing	1	LS	\$10,000.00	\$10,000.00
3	Tree Mitigation	1	LS	\$10,000.00	\$10,000.00
4	Mobilization (10%)	1	LS	\$62,000.00	\$62,000.00
					\$0.00

Subtotal \$682,000.00

20% Contingency \$136,400.00

Total Construction Cost \$818,400.00

- * Assumes a 3" AC /4" AB, 20' wide
- 3,400 LF Lake Clamentia
- 4,700 LF Lake Chesbro
- Grading & Base Compaction

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

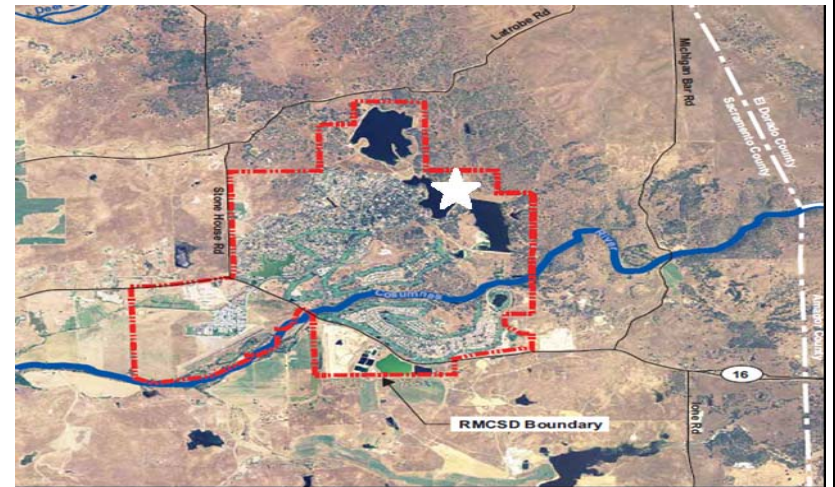
Project Number:	17-1-06	Project Name:	Chlorine Gas to Bleach Conversion - Water Treatment Plant
Location:	Water Treatment Plant	Project Type:	Water

Description: Conversion of Treatment Systems from Chlorine Gas to Bleach

Water Treatment Plant

Justification: Facility Improvement

Notes: Increased Safety due to growth encroachment and Disinfection Process



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Administration/Management		\$12,605	\$12,605
	Planning/Environmental		\$12,605	\$12,605
	Engineering		\$37,815	\$37,815
	Construction		\$252,100	\$252,100
	Construction Management/Inspection		\$37,815	\$37,815
	Total	\$0	\$352,940	\$352,940

Rancho Murieta Community Services District
Project Name: Chlorine Gas to Bleach Conversion - Water Treatment Plant
Job Number: 17-1-06

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Equipment & Appurtanences	1	LS	\$32,000.00	\$32,000.00
2	Site/Facility Improvements (Tank, Chemical Feed Pumps)	1	LS	\$30,000.00	\$30,000.00
3	Systems Conversion and Telemetry	1	LS	\$16,000.00	\$16,000.00
4	Building Modification (Demolition, Foundation)	1	LS	\$40,000.00	\$40,000.00
5	Temporary Chlorination during Construction	1	LS	\$50,000.00	\$50,000.00
6	Permit Modifications	1	LS	\$8,000.00	\$8,000.00
7	Field Startup and Training	1	LS	\$15,000.00	\$15,000.00
8	Mobilization (10%)	1	LS	\$19,100.00	\$19,100.00

	Subtotal	\$210,100.00
	20% Contingency	\$42,020.00
	Total Construction Cost	\$252,120.00

* Hopkins Technical Products Quote 2/6/17
5100 Gallon Tank
Chemical Feed Pumps

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

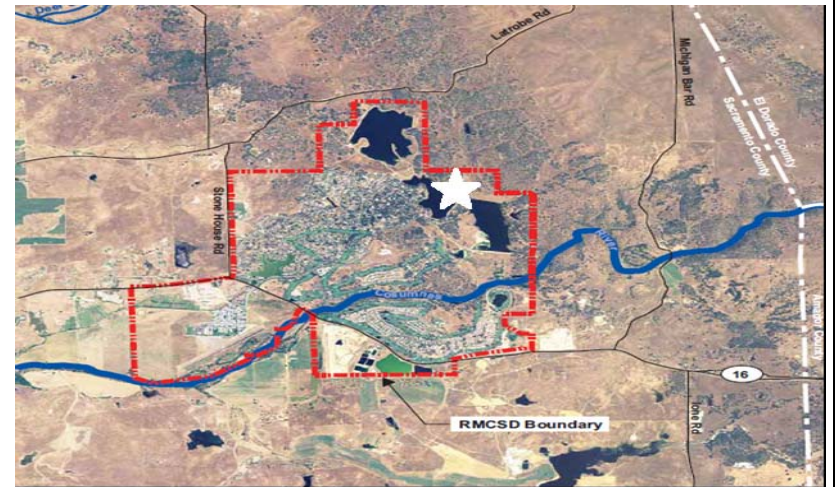
Project Number:	17-1-07	Project Name:	Maintenance Shed (20' x 40') at Water Treatment Plant
Location:	Water Treatment Plant	Project Type:	Water

Description: Purchase and installation of pre-fabricated shed

Water Treatment Plant

Justification: Facility Improvement

Notes: Additional Materials and Equipment Storage - Water Treatment Plant Maintenance



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$2,410	\$2,410
	Planning/Environmental		\$2,410	\$2,410
	Engineering		\$7,230	\$7,230
	Construction		\$48,200	\$48,200
	Construction Management/Inspection		\$7,230	\$7,230
	Total	\$0	\$67,480	\$67,480

Rancho Murieta Community Services District
Project Name: Maintenance Shed (20' x 40') at Water Treatment Plant
Job Number: 17-1-07

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	20'x40' Maintenance Shed (Pre-Manufactured)	1	LS	\$32,000.00	\$32,000.00
2	Site Preparation/Foundation/Electrical	1	LS	\$4,500.00	\$4,500.00
3	Mobilization (10%)	1	LS	\$3,650.00	\$3,650.00
					\$0.00

Subtotal \$40,150.00

20% Contingency \$8,030.00

Total Construction Cost \$48,180.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

Project Number: 17-1-08 **Project Name:** Emergency Water Supply Well

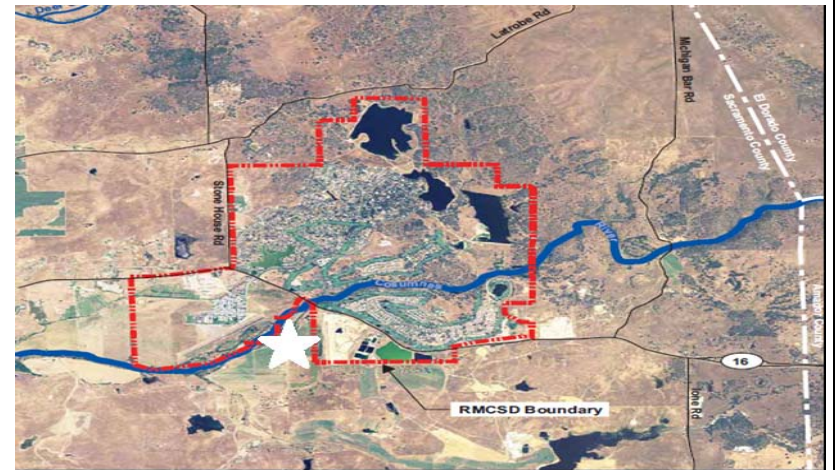
Location: Anderson Ranch Spray Fields **Project Type:** Water

Description: Construction of Water Well

Justification: Facility Improvement

Notes: Backup Water Supply

Rancho Murieta Community Services District



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
<i>PROJECT COST</i>	Administration/Management		\$54,900	\$54,900
	Planning/Environmental		\$54,900	\$54,900
	Engineering/Right-of-Way		\$164,700	\$164,700
	Construction		\$1,098,000	\$1,098,000
	Construction Management/Inspection		\$164,700	\$164,700
	RWA Grant		(\$494,000)	
	Total	\$0	\$1,043,200	\$1,043,200

Rancho Murieta Community Services District
Project Name: Emergency Water Supply Well
Job Number: 17-1-08

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Estimate By Dunn Environmental	1	LS	\$900,000.00	\$900,000.00
2	Permit Modifications	1	LS	\$15,000.00	\$15,000.00

	Subtotal	\$915,000.00
	20% Contingency	\$183,000.00
	Total Construction Cost	<u>\$1,098,000.00</u>

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**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

Project Number:	17-2-01	Project Name:	Sewer/Drainage Hydro Cleaning Truck
Location:	Maintenance Equipment	Project Type:	Sewer/Drainage

Description: Purchase of Vac-Con Truck

Vac Con Truck

Justification: Preventative Maintenance

Notes: Achieve full life expectancy of sewer and drainage system infrastructure.



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Administration/Management		\$12,000	\$12,000
	Planning/Environmental		\$12,000	\$12,000
	Engineering		\$36,000	\$36,000
	Construction		\$240,000	\$240,000
	Construction Management/Inspection		\$36,000	\$36,000
	Total	\$0	\$336,000	\$336,000

Rancho Murieta Community Services District

Project Name: Sewer/Drainage Hydro Cleaning Truck

Job Number: 17-2-01

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	9 Yard Combination Sewer Cleaner (Vac-Con) Purchase	1	LS	\$200,000.00	\$200,000.00

Subtotal \$200,000.00

20% Contingency \$40,000.00

Total Construction Cost \$240,000.00

http://www.vac-con.com/combinaton_sewer_cleaning_truck.html#3

Rancho Murieta Community Services District

Project Name: Material and Equipment Warehouse

Job Number: 17-2-02

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	40'x60' Warehouse (Pre-Manufactured)	1	LS	\$50,000.00	\$50,000.00
2	Site Preparation/Foundation/Electrical	1	LS	\$30,000.00	\$30,000.00
3	Mobilization (10%)	1	LS	\$8,000.00	\$8,000.00
					\$0.00

Subtotal \$88,000.00

20% Contingency \$17,600.00

Total Construction Cost \$105,600.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

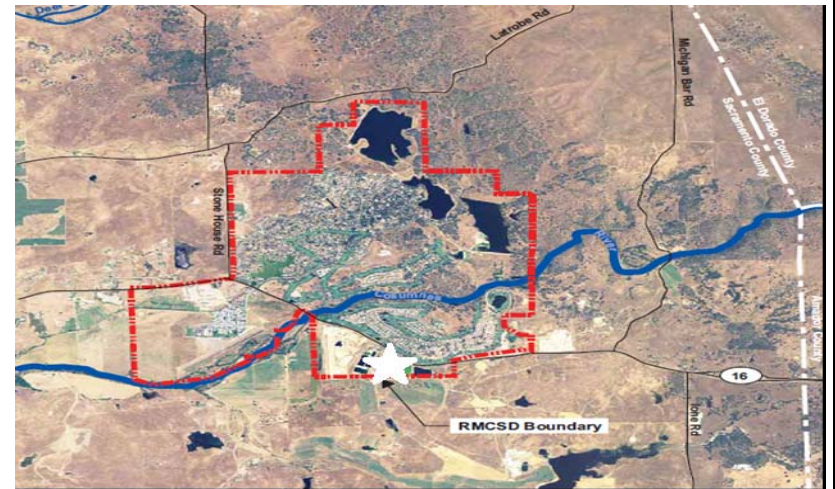
Project Number:	17-2-03	Project Name:	Drying Bed and Access Road Improvements
Location:	Wastewater Treatment Plant	Project Type:	Sewer

Description: Construction of additional drying bed

Sewer Treatment Plant

Justification: Facility Improvement

Notes: Increased Solids - Larger Customer Base



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$21,625	\$21,625
	Planning/Environmental		\$21,625	\$21,625
	Engineering		\$64,875	\$64,875
	Construction		\$432,500	\$432,500
	Construction Management/Inspection		\$64,875	\$64,875
	Total	\$0	\$605,500	\$605,500

Rancho Murieta Community Services District
Project Name: Drying Bed and Access Road Improvements
Job Number: 17-2-03

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Drying Bed Improvements*	280	CY	\$450.00	\$126,000.00
2	Piping & Appurtanences	1	LS	\$12,000.00	\$12,000.00
3	Access Road Improvements (6" AC / 8" AB)	1	LS	\$75,000.00	\$75,000.00
4	Dried Sludge Storage Pad (80'x80'x12")	237	CY	\$450.00	\$106,650.00
5	Permit Modifications	1	LS	\$8,000.00	\$8,000.00
6	Mobilization (10%)	1	LS	\$32,765.00	\$32,765.00

Subtotal	\$360,415.00
20% Contingency	\$72,083.00
Total Construction Cost	\$432,498.00

* Additional Drying Bed for Sludge Storage
- Excavation & Grading

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

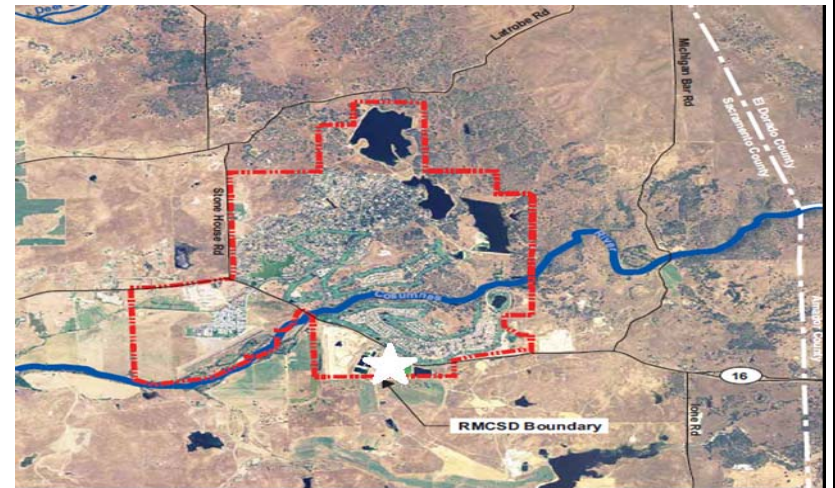
Project Number: 17-2-04 **Project Name:** Chlorine Gas to Bleach Conversion - Wastewater Treatment Plant
Location: Wastewater Treatment Plant **Project Type:** Sewer

Description: Conversion of Treatment Systems from Chlorine Gas to Bleach

Sewer Treatment Plant

Justification: Facility Improvement

Notes: Increased Safety due to growth encroachment and Disinfection Process



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Administration/Management		\$9,505	\$9,505
	Planning/Environmental		\$9,505	\$9,505
	Engineering		\$28,515	\$28,515
	Construction		\$190,100	\$190,100
	Construction Management/Inspection		\$28,515	\$28,515
	Total	\$0	\$266,140	\$266,140

Rancho Murieta Community Services District

Project Name: Chlorine Gas to Bleach Conversion - Wastewater Treatment Plant

Job Number: 17-2-04

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Equipment* (Piping, Chemical Feed Pumps, Control Panel)	1	LS	\$52,000.00	\$52,000.00
2	Site/Facility Conversion	1	LS	\$35,000.00	\$35,000.00
3	Systems Conversion and Telemetry	1	LS	\$16,000.00	\$16,000.00
4	Field Startup	1	LS	\$10,000.00	\$10,000.00
5	Staff Training	1	LS	\$5,000.00	\$5,000.00
6	Enclosure & Screening	1	LS	\$18,000.00	\$18,000.00
7	Permit Modifications	1	LS	\$8,000.00	\$8,000.00
8	Mobilization (10%)	1	LS	\$14,400.00	\$14,400.00

Subtotal \$158,400.00

20% Contingency \$31,680.00

Total Construction Cost \$190,080.00

* Hopkins Technical Products Quote 2/6/17
5100 Gallon Tank
Chemical Feed Pumps

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

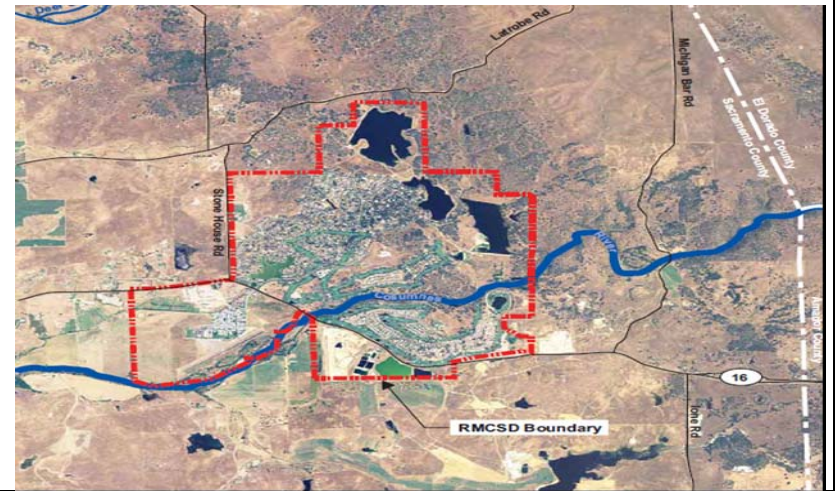
Project Number:	17-2-05	Project Name:	WWTP SCADA Monitoring
Location:	Hardware/Software	Project Type:	Sewer

Description: Hardware and Software Equipment Purchase

Rancho Murieta Community Services District

Justification: Administrative

Notes: Wastewater Treatment Plant Reliability due to system expansion triggered by growth



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Administration/Management		\$8,050	\$8,050
	Planning/Environmental		\$8,050	\$8,050
	Engineering		\$24,150	\$24,150
	Construction		\$161,000	\$161,000
	Construction Management/Inspection		\$24,150	\$24,150
	Total	\$0	\$225,400	\$225,400

Rancho Murieta Community Services District

Project Name: WWTP SCADA Monitoring

Job Number: 17-2-05

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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	Supervisory Control And Data Acquisition (SCADA)				
1	SCADA Hardware & Installation. RTU/PLC's	1	LS	\$30,000.00	\$30,000.00
2	SCADA Network Server & Workstations	1	LS	\$12,000.00	\$12,000.00
3	SCADA Software Purchase	1	LS	\$20,000.00	\$20,000.00
4	System Programming & Integration	1	LS	\$60,000.00	\$60,000.00
5	Mobilization (10%)	1	LS	\$12,200.00	\$12,200.00

Subtotal \$134,200.00

20% Contingency \$26,840.00

Total Construction Cost \$161,040.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

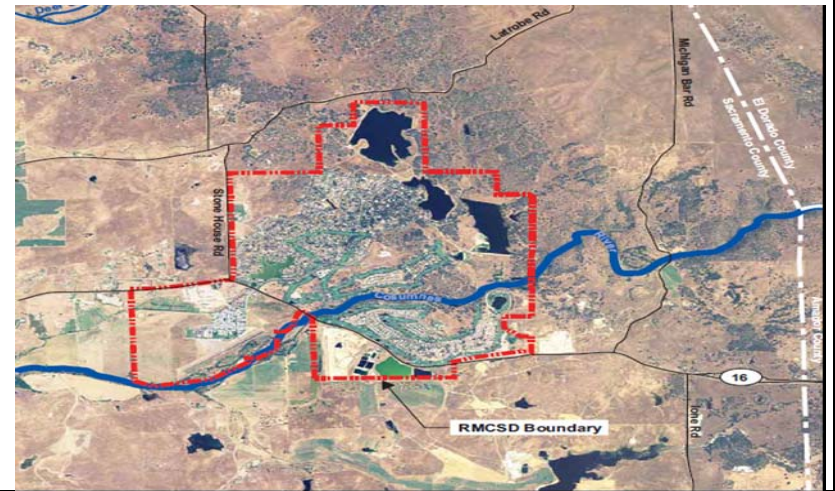
Project Number:	17-2-06	Project Name:	Lift Station Capacity Improvements
Location:	Collection System	Project Type:	Sewer

Description: Sewer Lift Station Collection System Expansion

Rancho Murieta Community Services District

Justification: Administrative

Notes: Add pumps, odor control, and other equipment to accommodate planned growth



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$35,640	\$35,640
	Planning/Environmental		\$35,640	\$35,640
	Engineering		\$106,920	\$106,920
	Construction		\$712,800	\$712,800
	Construction Management/Inspection		\$106,920	\$106,920
	Total	\$0	\$997,920	\$997,920

Rancho Murieta Community Services District

Project Name: Lift Station Capacity Improvements

Job Number: 17-2-06

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Supervisory Control And Data Acquisition (SCADA)	1	LS	\$200,000.00	\$200,000.00
2	Main Lift North (Pump, Piping, Odor Control, Concrete, Liner)	1	LS	\$175,000.00	\$175,000.00
3	6B Lift (Pumps, Generator, Piping, and Panel)	1	LS	\$165,000.00	\$165,000.00
4	Mobilization (10%)	1	LS	\$54,000.00	\$54,000.00

Subtotal \$594,000.00

20% Contingency \$118,800.00

Total Construction Cost \$712,800.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

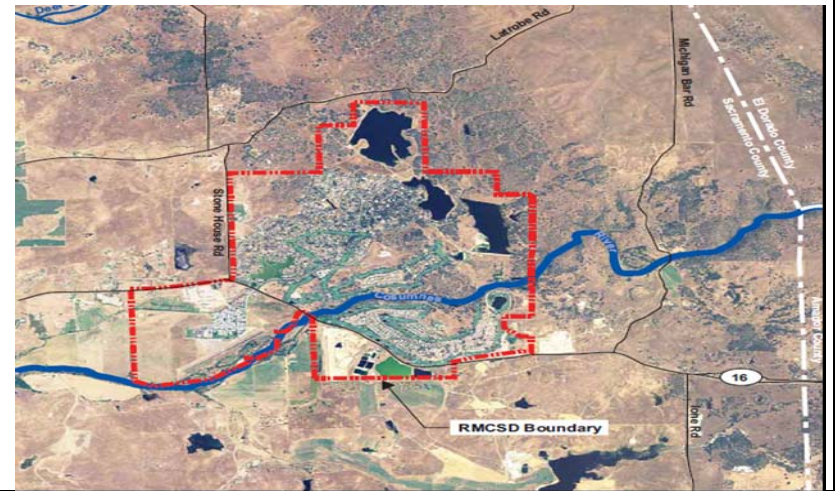
Project Number:	17-2-07	Project Name:	Fiber Optic Connection - Wastewater Treatment Plant to Administration Building
Location:	Hardware/Software	Project Type:	Sewer

Description: Installation of Fiber Optic Telecommunications

Rancho Murieta Community Services District

Justification: Facility Improvement

Notes: Bandwidth - Data Collection, CCTV Monitoring, System Security



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Adminstration/Management		\$4,885	\$4,885
	Planning/Environmental		\$4,885	\$4,885
	Engineering		\$14,655	\$14,655
	Construction		\$97,700	\$97,700
	Construction Management/Inspection		\$14,655	\$14,655
	Total	\$0	\$136,780	\$136,780

Rancho Murieta Community Services District

Project Name: Fiber Optic Connection -- Wastewater Treatment Plant to Admin Building

Job Number: 17-2-07

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Service Installation / Service Agreement	1	LS	\$8,000.00	\$8,000.00
2	Conduit Installation & Trench Repair	1,800	LF	\$35.00	\$63,000.00
3	Misc. Facility Modifications	1	LS	\$3,000.00	\$3,000.00
4	Mobilization	1	LS	\$7,400.00	\$7,400.00

Subtotal	\$81,400.00
20% Contingency	\$16,280.00
Total Construction Cost	<u><u>\$97,680.00</u></u>

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

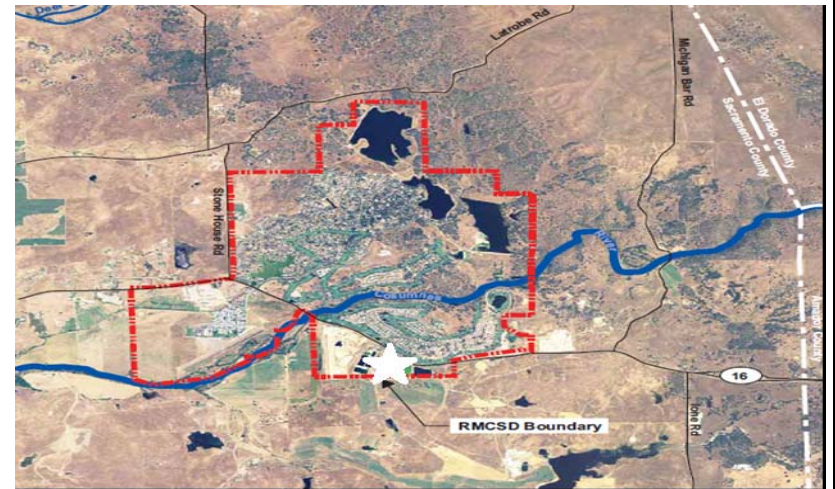
Project Number:	17-2-08	Project Name:	Piping Connection - Sludge Discharge to Drying Beds
Location:	Wastewater Treatment Plant	Project Type:	Sewer

Description: Reconfiguration of Drying Bed Discharge Piping

Wastewater Treatment Plant

Justification: Facility Improvement

Notes: Wastewater Treatment Plant increased distribution capacity



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$13,595	\$13,595
	Planning/Environmental		\$13,595	\$13,595
	Engineering		\$40,785	\$40,785
	Construction		\$271,900	\$271,900
	Construction Management/Inspection		\$40,785	\$40,785
	Total	\$0	\$380,660	\$380,660

Rancho Murieta Community Services District
Project Name: Piping Connection - Sludge Discharge to Drying Beds
Job Number: 17-2-08

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	14" Pipe	1,000	LF	\$130.00	\$130,000.00
2	Valves and Appurtenances	1	LS	\$15,000.00	\$15,000.00
3	Minor Grading	1	LS	\$3,000.00	\$3,000.00
4	Permit Modifications	1	LS	\$8,000.00	\$8,000.00
5	Pump Station	1	LS	\$50,000.00	\$50,000.00
6	Mobilization (10%)	1	LS	\$20,600.00	\$20,600.00

Subtotal \$226,600.00

20% Contingency \$45,320.00

Total Construction Cost \$271,920.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

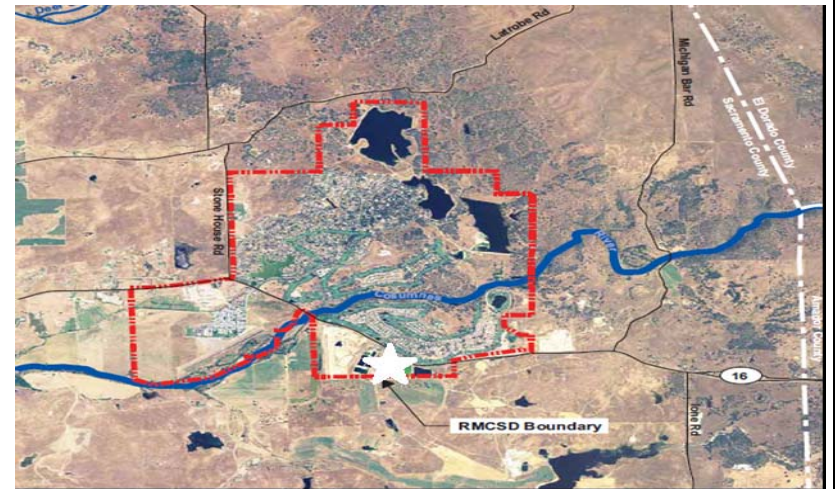
Project Number:	17-2-09	Project Name:	Sludge Dredge & Filter Skid for Ponds
Location:	Wastewater Treatment Plant	Project Type:	Sewer

Description: Purchase of Sludge Dredge and Filter Skids

Wastewater Treatment Plant

Justification: Preventative Maintenance

Notes: Expanded solids handling process in ponds at Wastewater Treatment Plant



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Administration/Management		\$16,830	\$16,830
	Planning/Environmental		\$16,830	\$16,830
	Engineering		\$50,490	\$50,490
	Construction		\$336,600	\$336,600
	Construction Management/Inspection		\$50,490	\$50,490
	Total	\$0	\$471,240	\$471,240

Rancho Murieta Community Services District

Project Name: Sludge Dredge & Filter Skid for Ponds

Job Number: 17-2-09

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Flump Dredge (Crisafulli)	1	LS	\$110,000.00	\$110,000.00
2	Filter Skids	1	LS	\$135,000.00	\$135,000.00
3	Site Modifications for Dredge	1	LS	\$10,000.00	\$10,000.00
4	Mobilization (10%)	1	LS	\$25,500.00	\$25,500.00

Subtotal \$280,500.00

20% Contingency \$56,100.00

Total Construction Cost \$336,600.00

<http://www.crisafullipumps.com/dredges/flump>

3" Standard Duty

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

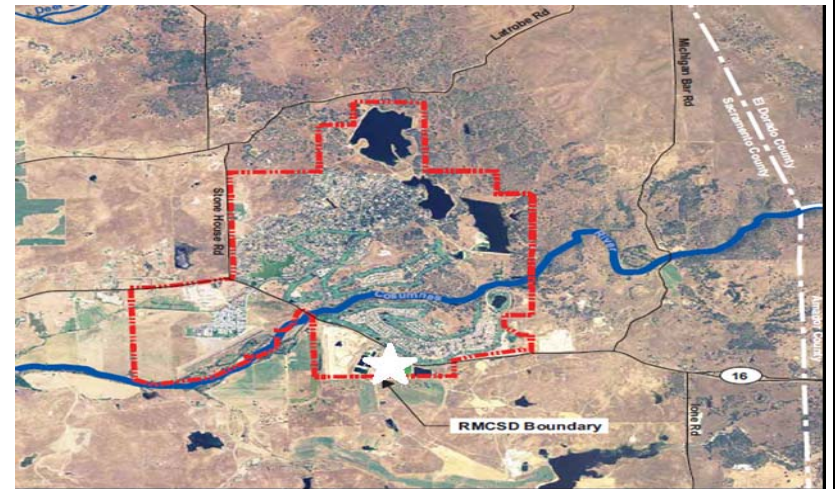
Project Number:	17-2-10	Project Name:	Headworks
Location:	Wastewater Treatment Plant	Project Type:	Sewer

Description: Construction of Headworks at Wastewater Treatment Plant

Wastewater Treatment Plant

Justification: Facility Improvement, Regulatory

Notes: Regulatory Improvement - Primary Screening and Treatment



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$22,900	\$22,900
	Planning/Environmental		\$22,900	\$22,900
	Engineering		\$68,700	\$68,700
	Construction		\$458,000	\$458,000
	Construction Management/Inspection		\$68,700	\$68,700
	Total	\$0	\$641,200	\$641,200

Rancho Murieta Community Services District

Project Name: Headworks

Job Number: 17-2-10

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Hydroscience Estimate* (50% Design)	1	LS	\$450,000.00	\$450,000.00
2	Permit Modifications	1	LS	\$8,000.00	\$8,000.00

Subtotal \$458,000.00

Total Construction Cost \$458,000.00

* Estimate completed in 2010. Updated to 2017 unit pricing.

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

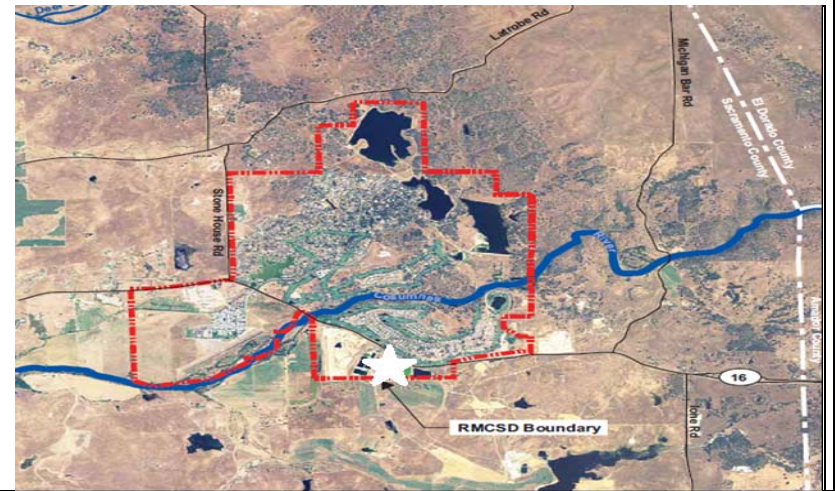
Project Number:	17-2-13	Project Name:	Motor Actuated Valve for Sludge Drying Bed
Location:	Wastewater Treatment Plant	Project Type:	Sewer

Description: Mechanical Plumbing Modifications

Wastewater Treatment Plant

Justification: Facility Improvement

Notes: Expanded solids handling process in ponds at Wastewater Treatment Plant



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$2,110	\$2,110
	Planning/Environmental		\$2,110	\$2,110
	Engineering		\$6,330	\$6,330
	Construction		\$42,200	\$42,200
	Construction Management/Inspection		\$6,330	\$6,330
	Total	\$0	\$60,000	\$60,000

Rancho Murieta Community Services District

Project Name: Sludge Drying Bed Motorized Valve

Job Number: 17-2-13

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Demo	1	LS	\$2,000.00	\$2,000.00
2	Materials	1	LS	\$30,000.00	\$30,000.00
3	Mobilization (10%)	1	LS	\$3,200.00	\$3,200.00

Subtotal \$35,200.00

20% Contingency \$7,040.00

Total Construction Cost \$42,240.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

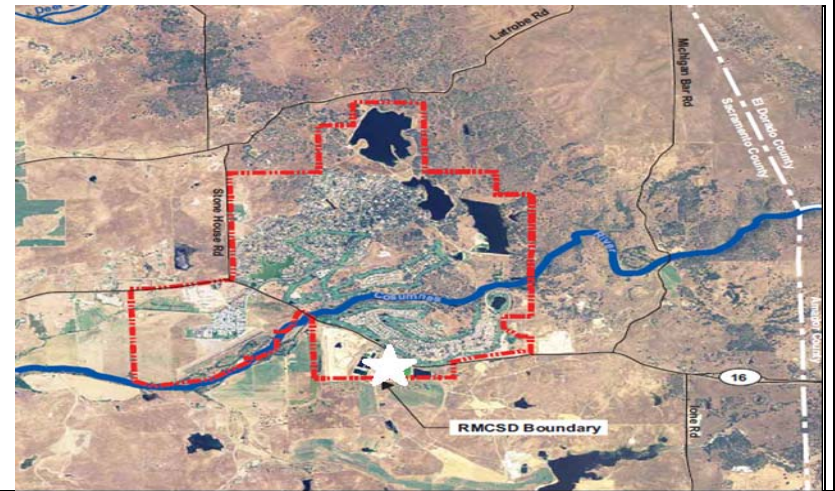
Project Number:	17-2-14	Project Name:	Yellow Bridge Sewer Force Main Improvements
Location:	Yellow Bridge	Project Type:	Wastewater

Description: Mechanical Plumbing Modifications

Yellow Bridge

Justification: Facility Improvement

Notes: Sewer collection system reliability due to system expansion triggered by growth



	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Project Administration		\$5,940	\$5,940
	Planning/Environmental		\$5,940	\$5,940
	Engineering		\$17,820	\$17,820
	Construction		\$118,800	\$118,800
	Construction Management/Inspection		\$17,820	\$17,820
	Total	\$0	\$167,000	\$167,000

Rancho Murieta Community Services District

Project Name: Force Main Modification

Job Number: 17-2-14

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
1	Demolition	1	LS	\$5,000.00	\$5,000.00
2	Vault	1	LS	\$10,000.00	\$10,000.00
3	Sewer Force Main Modifications	1	LS	\$45,000.00	\$45,000.00
4	Recycled Water Line Modifications	1	LS	\$30,000.00	\$30,000.00
5	Mobilization (10%)	1	LS	\$9,000.00	\$9,000.00

Subtotal \$99,000.00

20% Contingency \$19,800.00

Total Construction Cost \$118,800.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

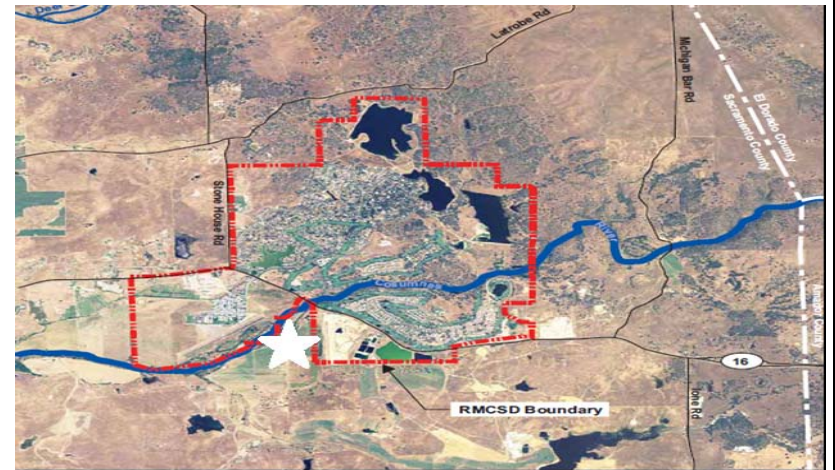
Project Number:	17-2-15	Project Name:	Anderson Ranch Spray Field 4
Location:	Anderson Ranch Fields	Project Type:	Sewer

Description: Wastewater Disposal Capacity for Peak Year Flows

Justification: Facility Expansion

Notes:

Rancho Murieta Community Services District



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$44,500	\$44,500
	Planning/Environmental		\$44,500	\$44,500
	Engineering/Right-of-Way		\$89,000	\$89,000
	Construction		\$890,000	\$890,000
	Construction Management/Inspection		\$111,250	\$111,250
	Total	\$0	\$1,179,250	\$1,179,250

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

Project Number:	17-2-11	Project Name:	Commercial Area Drainage Slide Gate Automation
Location:	Commercial District	Project Type:	Drainage

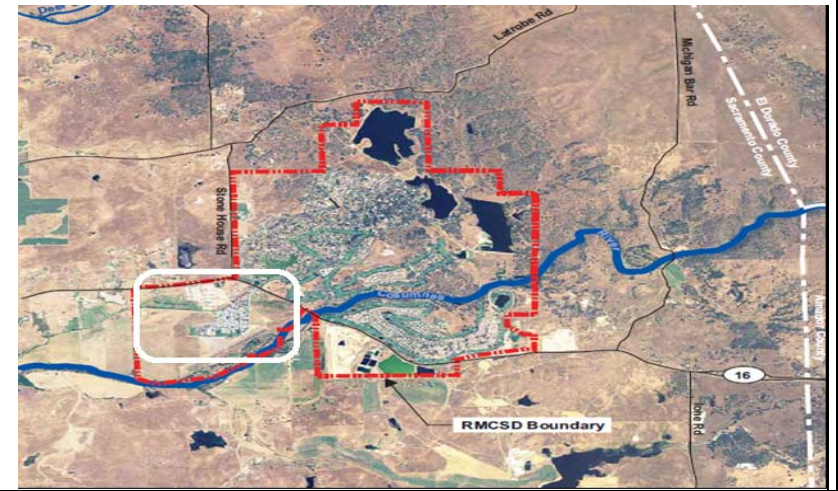
Description: Construction/Installation of an Automated Slide Gate

Commercial District

Justification: Regulatory

Notes: Flood Protection

	<i>Item</i>	<i>Previous Expenditures</i>	<i>Cost Estimate</i>	<i>Total</i>
PROJECT COST	Adminstration/Management		\$1,980	\$1,980
	Planning/Environmental		\$1,980	\$1,980
	Engineering		\$5,940	\$5,940
	Construction		\$39,600	\$39,600
	Construction Management/Inspection		\$5,940	\$5,940
	Total	\$0	\$55,440	\$55,440



Rancho Murieta Community Services District
Project Name: Commercial Area Drainage Slide Gate Automation
Job Number: 17-2-11

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Lift Motor	1	LS	\$5,000.00	\$5,000.00
2	Electrical Controls & Autodialer	1	LS	\$5,000.00	\$5,000.00
3	Electrical Service and Service Conduits	1	LS	\$20,000.00	\$20,000.00
4	Mobilization (10%)	1	LS	\$3,000.00	\$3,000.00

Subtotal	\$33,000.00
20% Contingency	\$6,600.00
Total Construction Cost	\$39,600.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

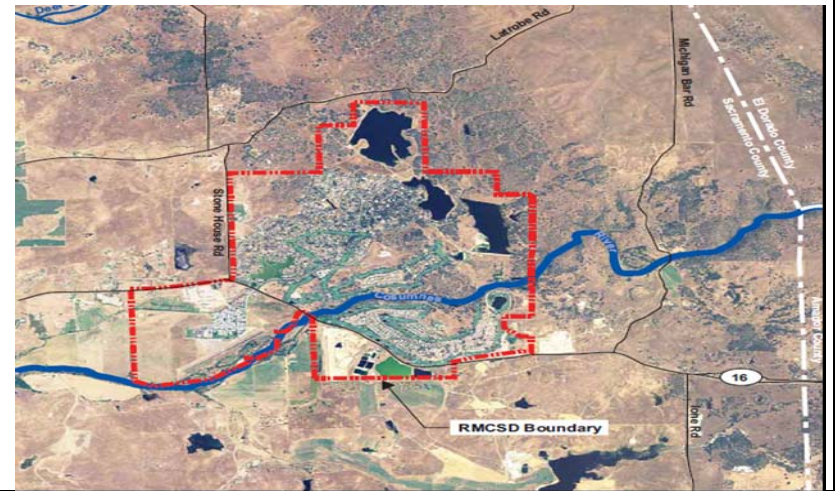
Project Number:	17-2-12	Project Name:	Stormwater Monitoring Testing Equipment
Location:	Maintenance Equipment	Project Type:	Drainage

Description: Purchase of Stormwater Monitoring and Testing Equipment

Rancho Murieta Community Services District

Justification: Regulatory

Notes: Regulatory - NPDES Stormwater Quality Monitoring



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Administration/Management		\$1,560	\$1,560
	Planning/Environmental		\$1,560	\$1,560
	Engineering		\$4,680	\$4,680
	Construction		\$31,200	\$31,200
	Construction Management/Inspection		\$4,680	\$4,680
	Total	\$0	\$43,680	\$43,680

Rancho Murieta Community Services District
Project Name: Stormwater Monitoring Testing Equipment
Job Number: 17-2-12

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Portable Sampling Device	1	LS	\$4,000.00	\$4,000.00
2	Portable Turbidity Meter	1	LS	\$5,000.00	\$5,000.00
3	Portable Chemical Analyzer	1	LS	\$8,000.00	\$8,000.00
4	Misc. Apurtenances	1	LS	\$5,000.00	\$5,000.00
5	Staff Training	2	EA	\$2,000.00	\$4,000.00

Subtotal	\$26,000.00
20% Contingency	\$5,200.00
Total Construction Cost	\$31,200.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

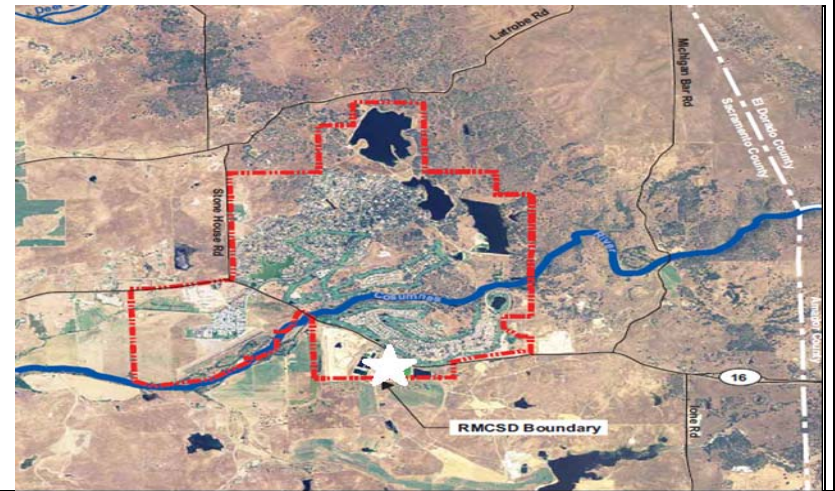
Project Number:	17-2-16	Project Name:	Trash Containment Structures
Location:	Throughout District	Project Type:	Drainage

Description: Screening Structures

Throughout District

Justification: Regulatory

Notes: Regulatory - NPDES Stormwater



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$4,090	\$4,090
	Planning/Environmental		\$4,090	\$4,090
	Engineering		\$12,270	\$12,270
	Construction		\$81,800	\$81,800
	Construction Management/Inspection		\$12,270	\$12,270
	Total	\$0	\$115,000	\$115,000

Rancho Murieta Community Services District

Project Name: Trash Containment Structures

Job Number: 17-2-16

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Structures	10	EA	\$5,000.00	\$50,000.00
2	Mechanical Plumbing Modifications	10	EA	\$1,200.00	\$12,000.00
3	Mobilization (10%)	1	LS	\$6,200.00	\$6,200.00

Subtotal \$68,200.00

20% Contingency \$13,640.00

Total Construction Cost \$81,840.00

**Rancho Murieta Community Services District
Capital Improvement Program**

PROJECT DATA FORM

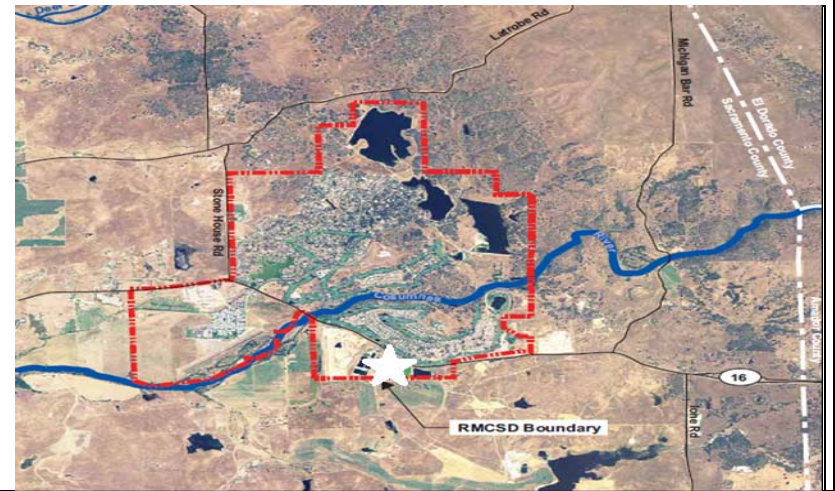
Project Number:	17-4-01	Project Name:	District Administration Building Remodel/Expansion
Location:	District Administration Building	Project Type:	Administrative

Description: Construction of New District Headquarters

District Headquarters

Justification: Facility Improvement

Notes: Additional Support Staff & Expanded Meeting Room



	Item	Previous Expenditures	Cost Estimate	Total
PROJECT COST	Project Administration		\$14,320	\$14,320
	Planning/Environmental		\$14,320	\$14,320
	Engineering		\$42,960	\$42,960
	Construction		\$286,400	\$286,400
	Construction Management/Inspection		\$42,960	\$42,960
	Total	\$0	\$400,960	\$400,960

Rancho Murieta Community Services District
Project Name: District Administration Building Remodel/Expansion
Job Number: 17-4-01

Engineer's Estimate of Probable Cost

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total
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1	Building Expansion	4,000	SF	\$35.00	\$140,000.00
2	Electrical/Mechanical Plumbing Modifications	1	LS	\$50,000.00	\$50,000.00
3	Site Work	1	LS	\$15,000.00	\$15,000.00
4	Furniture	1	LS	\$12,000.00	\$12,000.00
5	Mobilization (10%)	1	LS	\$21,700.00	\$21,700.00

Subtotal \$238,700.00

20% Contingency \$47,740.00

Total Construction Cost \$286,440.00

MEMORANDUM

Date: December 7, 2018
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Consider Approval of Payment of Additional Costs to N.J. McCutchen, Inc., for Bonding Costs for the Wastewater Hydropneumatic Tank Replacement Project

RECOMMENDED ACTION

Approve payment of additional costs to N.J. McCutchen, Inc. for bonding costs for the Wastewater Hydropneumatic Tank Replacement Project, in an amount not to exceed \$1,026. Funding to come from Wastewater Replacement Reserves.

BACKGROUND

The cost for the Hydropneumatic Tank replacement was Board approved at the August 16, 2017 Board meeting.

16. CONSIDER APPROVAL OF QUOTE FROM N.J. McCUTCHEN, INC., FOR REPLACEMENT OF WASTEWATER RECLAMATION PLANT HYDROPNEUMATIC TANK

Paul Siebensohn gave a brief summary of the recommendation to approve the quote from N.J. McCutchen, Inc., for replacement of the wastewater reclamation plant hydropneumatic tank. The current hydropneumatic tank has been in operation since 1982 and its metal housing is wearing thin.

Motion/Clark to approve quote from N.J. McCutchen, Inc. for replacement of the wastewater reclamation plant hydropneumatic tank, in an amount not to exceed \$34, 202 + tax. Funding to come from Wastewater Replacement Reserves. Second/Pasek. Roll Call Vote; Ayes: Pecotich, Graf, Clark, Pasek. Noes: None. Absent: Merchant. Abstain: None.

Before work was authorized to proceed by the District's interim General Manager, it was required that N.J. McCutchen, Inc. (NJM) sign the District's short form contract which required that if the price exceeded \$25,000 the contractor should provide a performance bond for 100% of the contract price. NJM would not absorb the additional cost of the District's required bonding and noted it in the signed contract (see below) and therefore the cost is coming back to the District.

7. Bonds. If the Contract price exceeds \$25,000, then promptly upon execution of this Contract and prior to the commencement of any Work, Contractor shall obtain ~~at its sole cost and expense~~ and provide to District a performance bond and payment bond each in the amount of 100% of the amount of this Contract. The bonds must be issued by a surety admitted in California and be in a form acceptable to District. The bonds must comply with California Civil Code sections 9550 and 9554 and applicable provisions of the California Bond and Undertaking Law (Cal. Code of Civil Procedure § 995.010 et seq.).

8. Authority of District and District's Representative.

Bond cost add to contract price.
WWS
8/20/2017

The invoice from NJM is attached for reference.

After a discussion, the Committee approved taking this to the Board meeting for approval and requested staff to look into the ability to waive the bonding requirement for certain projects in the future.

Invoice

N. J. McCutchen, Inc.

123 W. Sonora St.
Stockton, CA 95203

209-466-9704

RECEIVED
RANCHO MURIETA
COMM. SERV. DIST.

2017 NOV 29 A 11:42

Date	Invoice #
11/16/2017	88250

Bill To
Rancho Murieta CSD PO Box 1050 Rancho Murieta, CA 95683

Ship To
Same

P.O. Number	Terms	Due Date	Ship	Via	F.O.B.	NJM Job #
***	Net 30	12/16/2017	11/16/2017	Our Truck	Dest	17-0749

Quantity	Description	Price Each	Amount
1	Ea. Hydro Pneumatic Water Tank	25,497.00	25,497.00T
1	Lot Installation	8,705.00	8,705.00
1	Lot Bond Fee	1,026.00	1,026.00
	***HYDRO PNEUMATIC WATER TANK		
	Sales Tax for Sacramento Co.	7.75%	1,976.02

	Total	\$37,204.02
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CONFERENCE/EDUCATION SCHEDULE

Date: December 8, 2017
To: Board of Directors
From: Suzanne Lindendorf, District Secretary
Subject: Review Upcoming Conference/Education Opportunities

This report is prepared in order to notify Directors of upcoming educational opportunities. Directors interested in attending specific events or conferences should contact me to confirm attendance for reservation purposes. The Board will discuss any requests from Board members desiring to attend upcoming conferences and approve those requests as deemed appropriate.

Board members must provide brief reports on meetings that they have attended at the District's expense. (AB 1234). The upcoming conferences/educational opportunities include the following:

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA)

Annual Employment Law Update	February 21, 2018	Webinar
2018 Special Districts Legislative Days	May 22, 2018	Sacramento
General Manager Leadership Summit	June 24, 2018	Olympic Valley
Special District Leadership Academy	July 8, 2018	Napa Valley
2018 Annual Conference & Show	September 24, 2018	Indian Wells

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

No Information Currently Available on Upcoming Conferences.

ISC WEST

2018 ISC West Public Security And Safety Expo	April 11 – 13, 2018	Las Vegas
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ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

Water 101 Workshop: Beyond the Basics	February 22, 2018	Sacramento Valley
2018 ACWA Spring Conference	May 8-11, 2018	Sacramento

AMERICAN WATER WORKS ASSOCIATION (AWWA)

No Information Currently Available on Upcoming Conferences.

WATEREUSE

2018 WateReuse California Annual
Conference

March 25-27, 2018

Monterey

BOARD MEMBER – COMMITTEE ASSIGNMENTS

OFFICE / COMMITTEE	JAN – DEC 2017 ASSIGNMENTS	DIRECTOR REQUESTS	JAN – DEC 2018 ASSIGNMENTS
President	Mark Pecotich	N/A	Mark Pecotich
Vice President	Morrison Graf	N/A	Morrison Graf
Security Committee	Mark Pecotich Les Clark	Mark Pecotich Les Clark	
Joint Security	Mark Pecotich Les Clark	Mark Pecotich Les Clark	
Finance Committee	Gerald Pasek John Merchant	John Merchant Gerald Pasek	
Improvements Committee	Morrison Graf Les Clark	Les Clark Morrison Graf	
Personnel Committee	Gerald Pasek Morrison Graf	Gerald Pasek Morrison Graf	
Parks Committee	Mark Pecotich Morrison Graf (alternate)	Mark Pecotich Morrison Graf	
Communication & Technology Committee	Mark Pecotich John Merchant	John Merchant Mark Pecotich	
Regional Water Authority Representatives	Gerald Pasek	Gerald Pasek	

Legend: Red = Current Board Member
Green = Requests