



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

October 18, 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, John Merchant, and Gerald Pasek. Also, present were Mark Martin, General Manager; Edward R. Crouse, Interim Assistant General Manager; Paul Siebensohn, Director of Field Operations; Eric Thompson, Controller; Suzanne Lindenfeld, District Secretary; and Richard Shanahan, District General Counsel.

2. ADOPT AGENDA

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

3. EMPLOYEE ANNOUNCEMENTS, PROMOTIONS, COMMENDATION, AND KUDDOS

Greg Blazek promoted from Operator in Training to Plant Operator I on September 16, 2017.

Suzanne Lindenfeld explained the Special District Leadership Foundation District Transparency Certificate of Excellence the District received. President Pecotich stated that transparency is very important. Director Clark suggested this be shared with the community.

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

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

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

Under Government Code 54956.8: Conference with Interim General Manager Ed Crouse (as real property negotiator) concerning price and terms of payment relating to groundwater well easement on Sacramento County APN 073-0180-027 and Carol Anderson Ward Trust as the other negotiating party.

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

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

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

Under Government Code section 54956.8: Conference with Interim General Manager Ed Crouse (as real property negotiator) concerning price and terms of payment relating to groundwater well easement on Sacramento County APN 073-0180-027 and Carol Anderson Ward Trust as the other negotiating party.

Nothing to report.

6. COMMENTS FROM THE PUBLIC

Betty Ferraro asked for clarification on whether Director Merchant can actually participate in the purchase of Rancho Murieta Country Club since he is a member of SOLOS and of CCPAC. Richard Shanahan, District General Counsel, stated that since both positions are voluntary and he receives no type of pay, there is no conflict of interest.

7. CONSENT CALENDAR

Motion/Pasek to adopt the consent calendar. Second/Clark.

Director Clark stated that after a minor modification to the original minutes, he had no objections and thanked staff.

Roll Call Vote: Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

8. STAFF REPORTS

Under Agenda Item 8A, President Pecotich stated that interviews for the new Security Chief will take place next month and the Security Department Assessment Draft Report is being reviewed by staff.

Director Clark asked about the impact the passive rec use of the Murieta Gardens drainage basin will have on the development schedule resulting from this item not moving forward. Paul Siebensohn stated that it is not going to create an issue for the project.

Under Agenda Item 8D, Director Graf asked about the chunks of asphalt found in the sewer lines. Paul Siebensohn, Director of Field Operations, stated it is asphalt that had gotten into the manhole, possibly from the paving work that was recently completed in those areas.

Director Clark asked asked if the State MS4 Permit and the subsequent discussion of an implementation plan moving forward is a staff level effort. Paul Siebensohn stated yes, unless regulations become more stringent that require an outside consultant to formulate a plan.

9. CORRESPONDENCE

None.

10. DISCUSSION AND CONSIDERATION REGARDING PROPOSED ACQUISITION OF RANCHO MURIETA COUNTRY CLUB GOLF COURSE AND OTHER ASSETS AND OPEN SPACE AND TRAIL AREAS; RELATED DISCUSSION AND CONSIDERATION OF FINANCING OPTIONS AND DISTRICT’S PARK AND RECREATION POWERS AND OBJECTIVES; POSSIBLE BOARD ACTION TO PROVIDE DIRECTION CONCERNING NEXT STEPS ON PROPOSED ACQUISITION

Mark Martin, General Manager, gave a brief summary of the potential acquisition of both open space lands and golf club properties by the District. If the District moves forward with this purchase, the District would need to enable the District’s public recreation latent powers authorized by the District’s enabling act through Local Agency Formation Commission (LAFCo).

President Pecotich asked if there were any Board member conflicts of interest regarding Rancho Murieta Country Club (RMCC). Richard Shanahan, District General Counsel, stated no, there is not.

Director Merchant commented on his concerns with RMCC and his recommendation for the District to discuss the potential purchase of both the property underneath the golf courses and the property surrounding the lakes. He feels this would increase property values in Rancho Murieta and help protect the water supply for

the community. At this point, the District does not know if any of the property is even for sale at this time. The only conversations that have occurred are that Director Merchant made two (2) courtesy calls, one to Mr. DeRegt who is a co-owner and one to John Sullivan.

President Pecotich stated he agrees with Director Merchant and appreciates the transparency of this opportunity.

Director Clark commented on his feeling that the District is starting in the middle and should instead begin with identifying the goals and objectives for parks and recreation, establish a Park and Recreation District Code, and get community input. Director Clark stated that he did not understand how this item got on the agenda.

Director Pasek commented that if purchased by the District, the Club House would become a community center for all residents, inside and outside the gates, to access, and allow for different levels of golf membership. The urgency in this matter is due to RMCC possibly filing bankruptcy at the beginning of 2018, which will impact home values negatively.

Director Graf commented on the golf course being important to the community and the District for disposal of recycled water. The District needs to address any possible hazards to the use of recycled water and how the operation of the club will work.

Director Merchant stated that the community has the final decision in the purchase when the bond issue goes to vote.

Cheryl McElhany, SOLOS, stated she is very happy to hear this idea and feels that Director Clark has a negative view. This purchase will protect the water supply and watershed.

John Kershaw commented on the need for an EIR review, his concern regarding a government agency owning a private entity, the money owed to OE-3, the open space in the back is not buildable, and suggested the Board not rush to get this project done.

Linda Kline commented on having to do battle with the developers in the future, making RMCC public instead of private, the water supply protection this will provide to the community, and the need for the goals and objectives. Ms. Kline feels this is a win-win situation.

Betty Ferraro commented on Rancho Murieta Association currently operating and maintaining the parks in the community and the possibility that LAFCo may not let the District operate the RMCC.

Jeff Gibson commented on Director Merchant's presentation being very insightful, the need for RMCC being available for the District to dispose of the recycled water, and that he fully supports the purchase.

Sergio Guillen commented on the effect this would have on the home values. Mr. Guillen stated his firm consults on the operations various golf communities in the United States and is willing to offer any assistance he can provide.

John Weatherford commented on his concerns if the golf course closed. Richard Shanahan, District General Counsel, stated that he would have to look at the agreement with RMCC for disposal of recycled water to see if the contract would still be good. Mr. Weatherford also stated that if the club shut down, it would be worth nothing.

Dave Zian commented on his concern on how RMCC drives the entire community, suggested that the purchase of the open space by the lakes be separate from the purchase of RMCC, and asked if the District would be liable for the money owed to the union if the District buys RMCC.

Director Clark commented on the water quality and supply control and the need for an engineering analysis to be done. Director Clark also stated that during his campaign for the District Board, SOLOS asked if he is willing to vote for the diversion of the water augmentation fees to be used for purchasing open space. Director Clark stated that he told them he could not do that. The purchase of RMCC falls under Prop 218 and would need to go for the residents to vote.

Motion/Merchant to approve the Board enter into dialogue regarding the potential purchase of open space by the lakes and Rancho Murieta Country Club. Second/Pasek.

Director Clark stated that he is fine with going forward with the negotiations but feels the Board should first come up with the goals and objectives and get community input.

President Pecotich to amend the motion to include RMA and what they have done to this point and not stepping all over the MBA. And involve the developer and appropriate stakeholders as needed in the discussion.

Motion/Graf to amend the motion to include approving discussion for potential possibility of and that it is one of several steps.

Motion/Pecotich to amend the motion to take a look at this and see what is involved to look into the potential of acquisition of the country club, other assets, open space, trails area considering multiple things including goals, objectives to be established, multiple stakeholders established and start to investigate the feasibility of such an acquisition. Second/Pasek.

Motion/Pecotich to amend the motion to explore the opportunity of looking at this, involving multiple stakeholders and need to address, LAFCo, goal setting, objectives all those pieces that Les is concerned about getting started, looking at that, making a list in terms of what is all of the objectives and being judicious about moving forward on it. Second/Pasek. Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

11. RECEIVE PARKS WATER SUPPLY AUGMENTATION AND CAPITAL IMPROVEMENT FEE SUMMARY

Edward R. Crouse, Interim Assistant General Manager, stated that Director Pasek requested a summary of the various Park obligations to pay their Water Supply Augmentation and Capital Improvement Fee with the intent to memorialize the Parks' obligations to pay but not to demand payment immediately.

By consensus, the Board agreed to have Mark Martin, General Manager, work with Rancho Murieta Association (RMA) on an agreement regarding payment of fees.

12. CONSIDER APPROVAL OF DISTRICT APPOINTMENTS

Motion/Merchant to appoint Mark Martin as District Treasurer. Appoint Mark Martin as Regional Water Authority Board Member Representative. Appoint Mark Martin as Sacramento Central Groundwater Authority Board member representative. Appoint Mark Martin as Designated Labor Negotiator. Appoint Mark Martin as Real Property Negotiator. Second/Pasek. ROLL CALL VOTE: Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

13. CONSIDER APPROVAL OF PROPOSAL FROM WATCHDOGS SURVEILLANCE FOR SOUTH GATE CAMERA UP-GRADE

Mark Martin, General Manager, gave a brief summary of the recommendation to approve the proposal from Watchdogs Surveillance for the South Gate camera up-grade. These cameras are important for accurately recording and documenting vehicles entering and exiting the community. Cameras will be located on both the visitor and resident lanes, as well as exit lanes.

Motion/Graf 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 \$23,100 including tax and a 10% contingency. Funding to come from Security Replacement Reserves. Second/Pasek. ROLL CALL VOTE: Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

14. CONSIDER APPROVAL OF SAFETY CENTER REPAIR COST OVERRUN

Mark Martin, General Manager, gave a brief summary of the recommendation to approve the invoice from D. Martinez Construction for additional water damage repairs to the James L. Noller Safety Center.

Motion/Merchant to approve the invoice from D. Martinez Construction for additional costs in an amount of \$1,105 for the additional repairs to the Safety Center. Funding to come from Security Replacement Reserves. Second/Clark. ROLL CALL VOTE: Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

15. RECEIVE UPDATE ON LAGUNA JOAQUIN

Mark Martin, General Manager, gave a brief update on Laguna Joaquin. The District and Rancho Murieta Association (RMA) staff have been working together to clean Laguna Joaquin. As of this week, Laguna Joaquin is filled.

One concern brought by farmer representative John Sullivan was that farmers have recently planted a portion of their crops as organic and due to assumed pesticides and chemical run-off; the water from Laguna Joaquin may not be acceptable as a water source for crops certified organic. Edward R. Crouse volunteered that Paul Siebensohn, Director of Field Operations, may have a sample of Laguna Joaquin water lab-tested to assess if contaminants affecting organic crop use are present.

President Pecotich asked about the District replacing the fish. Edward R. Crouse, Assistant General Manager stated that the District is working with Larry Shelton on getting the fish restocked. Five hundred (500) Catfish are scheduled to be put in Laguna Joaquin next week. The Bass will be restocked in the spring, once the Catfish have matured.

President Pecotich requested the Questions and Answers regarding Laguna Joaquin fish kill be put on the District's website.

16. DISCUSS LONG RANGE PLAN FOR DETENTION BASINS

Mark Martin, General Manager, gave a brief update on the long-range plan for the detention basins. A strategy for a planning effort would be to identify all basins, ownership, current maintenance responsibilities, uses, and complexities of each. Complexities range from limitations on use of herbicides, to nature of immediate basin outflow receiving body, to specific challenges of maintaining each.

Since resources to accomplish the goals of the plan may be constrained to the extent of the maintenance budget and staff availability, there would need to be a consensus between the District and RMA as to each

organization's contribution of resources, both financial and staff, dedicated to accomplishing the goals of the plan.

17. CONSIDER SELECTION OF SPECIAL DISTRICT COMMISSIONER AND SELECTION OF ALTERNATE SPECIAL DISTRICT COMMISSIONER FOR THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

Motion/Merchant to elect Gay Jones for Special District Commissioner and Orlando Fuentes as the Alternate Special District Commissioner for the Sacramento Local Agency Formation Commission. Second/Graf. Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

18. CONSIDER NOMINATIONS FOR MEMBERSHIP ON SPECIAL DISTRICT ADVISORY COMMITTEE (SDAC)

Motion/Pasek to nominate Les Clark for membership on Special District Advisory Committee. Second/Graf. Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

19. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES

No discussion.

20. REVIEW SEPTEMBER BOARD/COMMITTEE MEETING DATES/TIMES

No discussion.

21. CLOSED SESSION

Removed from Agenda.

22. OPEN SESSION/REPORT BACK FROM CLOSED SESSION

Removed from Agenda.

23. DIRECTOR COMMENTS AND SUGGESTIONS

Paul Siebensohn, Director of Field Operations, stated that he would be taking to the November Improvements and Board meetings a proposal for two (2) pump repairs for main lift south.

Eric Thompson, Controller, stated he has received a preliminary GASB 45 report back. We do have some questions as far as what calculations they started with. The goal is to have the report available for Board review in November.

Director Merchant requested action regarding Agenda Item 10 on next Board meeting Agenda. List people responsible for whatever we are going to be responsible for. President Pecotich asked if he wanted it as a recurring agenda item. Director Merchant stated yes.

Director Graf – no comments.

Director Pasek stated that Mark Martin and Edward Crouse ought to get together and negotiate the Parks Water Supply Augmentation fees owed to the District with RMA before Mr. Crouse departs.

Director Clark restated that he is interested in seeing the discussion of purchasing golf course move forward, but we need to give due consideration to developing goals and objectives.

President Pecotich commented on RMA not wanting to go forward with the trails ad hoc committee. They want to work it into the Parks Committee. President Pecotich stated that he is going to go down the path RMA suggested and keep the dialogue going and productive. The Greens Park is close to opening and suggested the District reach out to them for some type of ribbon cutting ceremony.

Mark Martin, General Manager, stated he has a couple of trainings coming up Golden State Risk Management Authority (GSRMA) training in Corning, California on Thursday and Friday and Brown Act training November 8, 2017. Mr. Martin stated he met with Supervisor Sue Frost and her Chief of Staff. They are looking for some grants to get signage at either end of Scott Road; an automated notification sign indicating if there is flooding across the roadway. Mr. Martin contacted LAFCo's executive director just to get a sense for what it may entail to exercise our latent power and will be calling him back next week.

24. ADJOURNMENT

Motion/Pasek to adjourn at 7:32 p.m. Second/Clark. Ayes: Pecotich, Graf, Clark, Merchant, Pasek. Noes: None. Absent: None. Abstain: None.

Respectfully submitted,



Suzanne Lindenfeld
District Secretary