



## **RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

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

### **AGENDA**

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

#### **REGULAR BOARD MEETING**

**DECEMBER 21, 2016**

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

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#### **BOARD MEMBERS**

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

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#### **STAFF**

Darlene J. Thiel	General Manager
Paul Wagner	Security Chief
Paul Siebensohn	Director of Field Operations
Eric Thompson	Controller
Suzanne Lindenfeld	District Secretary

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

DECEMBER 21, 2016

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

### DISTRICT SECRETARY WILL ADMINISTER THE OATH OF OFFICE TO LES CLARK, MORRISON GRAF, AND JOHN MERCHANT

- |   | ESTIMATED RUNNING TIME |
|---|------------------------|
| <b>1. CALL TO ORDER</b> - Determination of Quorum - President Pasek ( <b>Roll Call</b> )  | 4:00                   |
| <b>2. CONSIDER ADOPTION OF AGENDA</b> ( <i>Motion</i> )<br><i>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.</i>  |                        |
| <b>3. CLOSED SESSION</b><br><i>Under Government Code Section 54956.9(d)(1): Conference with Legal Counsel Regarding existing litigation, M&amp;R Investment One Company v. District.</i>  |                        |
| <b>4. OPEN SESSION/REPORT ACTION FROM CLOSED SESSION</b><br><i>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.</i><br><br><i>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.</i><br><b>TIMED ITEMS</b> as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed. | 5:00                   |
| <b>5. CONSIDER ADOPTION OF RESOLUTION 2016-15, RESOLUTION DECLARING THE RESULTS OF THE NOVEMBER 8, 2016 ELECTION</b> (Discussion/Action) ( <i>Motion</i> ) ( <b>Roll Call Vote</b> ) (5 min.)   |                        |
| <b>6. CONSIDER ADOPTION OF RESOLUTION 2016-16, IN HONOR OF BETTY FERRARO, DIRECTOR, RANCHO MURIETA COMMUNITY SERVICES DISTRICT</b> (Discussion/Action) ( <i>Motion</i> ) ( <b>Roll Call Vote</b> ) (5 min.)   |                        |

**7. ELECTION OF BOARD OFFICERS** (5 min.)

- A. President
- B. Vice-President

**8. SPECIAL ANNOUNCEMENTS AND ACTIVITIES**

**9. 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.*

**10. CONSENT CALENDAR** (Motion) **(Roll Call Vote)** (5 min.)

*All the following items in Agenda Item 10 will be approved as one item if they are not excluded from the motion adopting the consent calendar.*

- A. Approval of November 16, 2016 Board Meeting Minutes**
- B. Approval of Bills Paid Listing**

**11. STAFF REPORTS** (Receive and File)

- A. General Manager's Report
- B. Administration/Financial Report
- C. Security Report
- D. Water/Wastewater/Drainage Report

**12. CORRESPONDENCE**

**13. RECEIVE AND FILE THE 2015-2016 ANNUAL RANCHO MURIETA COMMUNITY SERVICES DISTRICT AUDIT REPORT, COMMUNITY FACILITIES DISTRICT #1 AUDIT REPORT, AND THE COMMUNITY FACILITIES DISTRICT #2014-1 AUDIT REPORT** (Receive and File) (10 min.)

**14. CONSIDER APPROVAL OF PROPOSAL FROM BURNS & McDONNELL ENGINEERING COMPANY, INC., FOR SECURITY DEPARTMENT ASSESSMENT AND VIDEO SURVEILLANCE STRATEGY, REQUEST FOR PROPOSAL #2016-1002** (Discussion/Action) (Motion) **(Roll Call Vote)** (10 min.)

**15. RECEIVE AND CONSIDER UPDATES** (Discussion/Action) (15 min.)

- A. Parks Committee
- B. Pending and Proposed Land Development Projects
- C. Solar Power Installation
- D. 12 Inch Force Main Assessment

16. **CONSIDER NOMINATIONS FOR MEMBERSHIP ON SACRAMENTO LOCAL FORMATION COMMISSION'S SPECIAL DISTRICT ADVISORY COMMITTEE** (Discussion/Action) (Motion)
17. **CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES** (Discussion/Action) (Motion)
18. **COMMITTEE ASSIGNMENTS** (5 min.)
19. **REVIEW MEETING DATES/TIMES**  
**Committee meetings will be scheduled after Board and Committee assignments have been made.**
  - A. Board Goal Workshop – January 16, 2017 @ 1:00 p .m.
  - B. Regular Board Meeting – January 18, 2017 - open session at 5:00 p.m.
  - C. Recycled Water Workshop – January 30, 2017 @ 1:00 p.m.
20. **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.*
21. **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 16, 2016. Posting locations are: 1) District Office; 2) Rancho Murieta Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.

**RESOLUTION 2016-15**

**RESOLUTION OF THE BOARD OF DIRECTORS OF RANCHO MURIETA COMMUNITY SERVICES DISTRICT DECLARING RESULTS OF THE ELECTION OF NOVEMBER 8, 2016**

**WHEREAS**, the Rancho Murieta Community Services District pursuant to Resolution 2016-02 called for a General District Election to be held along with the General Election held on November 8, 2016; and

**WHEREAS**, it was submitted to elect two (2) full term Directors and one (1) half-term Director to the Board of Directors of Rancho Murieta Community Services District; and

**WHEREAS**, Section §15400 of the Elections Code of the State of California requires that the governing Board declare the results of the election; and

**WHEREAS**, the Department of Voter Registration and Election, County of Sacramento has provided the Certificates of Election and Certificate of Facts.

**NOW THEREFORE, BE IT RESOLVED THAT**; the Board of Directors of Rancho Murieta Community Services District hereby declares as follows:

**THAT** the number of nominees for the half-term office of Director, Rancho Murieta Community Services District, did not exceed the offices to be filled, therefore no election for the Rancho Murieta Community Services District half-term Director position was required at the November 8, 2016 General Election;

**THAT** the results of the Consolidated District Elections for the two (2) full term Director positions held on November 8, 2016, is:

John Merchant	1,712
Les Clark	1,578
Michael Martel	1,201
Betty Ferraro	929

**WHEREAS**, the Department of Voter Registration and Election, County of Sacramento has provided the Certificates of Election and Certificate of Facts.

**PASSED AND ADOPTED** this 21<sup>st</sup> day of December, 2016, by the following Roll Call Vote:

**Ayes:**

**Noes:**

**Abstain:**

**Absent:**

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Gerald Pasek, President of the Board  
Rancho Murieta Community Services District

**Attest:**

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Suzanne Lindenfeld, District Secretary

STATE OF CALIFORNIA  
County of Sacramento

} ss.

**CERTIFICATE OF FACTS**

I, JILL LAVINE, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that the names of the candidates shown below were submitted to the known qualified electors in Sacramento County in the **Rancho Murieta Community Services District** for the purpose of electing **Two (2) Directors** at the November 8, 2016 Presidential General Election.

The results of the Official Canvass conducted by this office are as follows:

<b>Name</b>	<b>Votes Cast</b>
<b>John Merchant*</b>	<b>1,712</b>
<b>Les Clark*</b>	<b>1,578</b>
<b>Michael Martel</b>	<b>1,201</b>
<b>Betty Ferraro</b>	<b>929</b>

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.

Witness My Hand and Seal this 5<sup>th</sup> day of December, 2016.



JILL LAVINE  
REGISTRAR OF VOTERS  
County of Sacramento  
State of California

\*Elected



STATE OF CALIFORNIA  
County of Sacramento

} ss.

**CERTIFICATE OF FACTS**

I, JILL LAVINE, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that the number of nominees for the office of **Rancho Murieta Community Services District** did not exceed the number of offices to be filled at the November 8, 2016 Presidential General Election.

A petition signed by 10% of the voters or 50 voters, whichever is the smaller number, in the district or trustee area if elected by trustee area, requesting that the general district election be held was not presented to me.

In accordance with Elections Code §10515, I hereby request that the Board of Supervisors appoint to such office the following persons who filed a declaration of candidacy, and who shall take office and serve exactly as if elected at the general district election.

**Director (short term)**

Number of Positions:	1
Number of Candidates:	1
Name(s) of Candidate(s):	Morrison L. Graf

And that the conduct of the election and canvass of the ballots was in every respect in accordance with the election laws of the State of California.

Witness My Hand and Seal this 5<sup>th</sup> day of December, 2016.



JILL LAVINE  
REGISTRAR OF VOTERS  
County of Sacramento  
State of California

## RESOLUTION 2016-16

### IN HONOR OF BETTY FERRARO, DIRECTOR

**WHEREAS**, Betty Ferraro was elected in 2008 to the Rancho Murieta Community Services District Board of Directors, and

**Whereas**, Betty generously gave a great deal of her time and energy to the community and the District Board, and

**Whereas**, during her term, Betty served as Vice - President of the Board from 2014 - 2016 and as a committee member on the following Board Committees: Communications & Technology, Joint Security, Parks, Personnel, Security, and Midge Fly Ad Hoc Committee; and

**Whereas**, in serving on these committees, Betty shared her vast experience and insight on the operation and finances of the District, and

**Whereas**, Betty's leadership and vision will enable the District to continue to benefit from her service in the years to come, and

**Whereas**, Betty's example and counsel will be missed by the Board and staff of the Rancho Murieta Community Services District, as well as the community as a whole.

**NOW THEREFORE BE IT PROCLAIMED**, this 21<sup>st</sup> Day of December in the year 2016, that the Board of Directors of the Rancho Murieta Community Services District, recognizes, appreciates, and commends Betty Ferraro for her eight (8) years of service to the community and District, and wishes her well in her future endeavors.

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Gerald Pasek, Director

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Morrison Graf, Director

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Mark Pecotich, Director

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John Merchant, Director

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Les Clark, Director





# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Meeting

MINUTES

November 16, 2016

Closed Session at 4:00 p.m. ~ Open Session at 5:00 p.m.

## **1. CALL TO ORDER/ROLL CALL**

President Gerald Pasek called the regular 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 Gerald Pasek, Betty Ferraro, Morrison Graf, and Michael Martel. Also present were Darlene J. Thiel, General Manager; Paul Wagner, Security Chief; Paul Siebensohn, Director of Field Operations; Suzanne Lindenfeld, District Secretary; and Richard Shanahan, District General Counsel. Director Pecotich arrived at 4:03 p.m.

## **2. ADOPT AGENDA**

**Motion/Ferraro** to adopt the agenda. **Second/Graf. Ayes: Pasek, Ferraro, Graf, Martel. Noes: None. Absent: Pecotich. Abstain: None.**

## **3. BOARD ADJOURNED TO CLOSED SESSION AT 4:01 P.M. TO DISCUSS THE FOLLOWING ITEMS:**

*Under Government Code Section 54956.9(d)(2): Conference with Legal Counsel Regarding Anticipated Litigation – Significant Exposure to Litigation Involving One (1) Potential Case Relating to Government Claims Act Claim Filed by M&R Investment One Company.*

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

*Under Government Code Section 54956.9(d)(2): Conference with Legal Counsel Regarding Anticipated Litigation – Significant Exposure to Litigation Involving One (1) Potential Case Relating to Government Claims Act Claim Filed by M&R Investment One Company. Nothing to report.*

## **5. SPECIAL ANNOUNCEMENTS AND ACTIVITIES**

None.

## **6. COMMENTS FROM THE PUBLIC**

None.

## **7. CONSENT CALENDAR**

Under Agenda Item 7B1, Director Pecotich stated that the Request for Proposal (RFP) for the Security Department Study closed today.

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

## **8. STAFF REPORTS**

Under Agenda Item 8A, Darlene J. Thiel stated that the correct date for the closing of the RFP for the Security Department Study is November 16, 2016 not November 14, 2016.

Director Pecotich stated that he is happy to see the email notifications (Mailchimp) put in place.

## **9. CORRESPONDENCE**

None.

## **10. CONSIDER GOVERNMENT CLAIMS ACT CLAIM FILED BY M&R INVESTMENT ONE COMPANY**

**Motion/Pecotich** to return the claim by M&R Investment One Company, Inc. as untimely to the extent it relates to causes of action that accrued prior to one year before the claim submittal, to deny the claim to the extent that it's timely, and to direct District counsel to send a claim rejection letter. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

## **11. CONSIDER APPROVAL OF PROPOSAL FROM COASTLAND ENGINEERING TO UPDATE THE DISTRICT'S CAPITAL IMPROVEMENT AND WATER SUPPLY AUGMENTATION FEES**

Darlene J. Thiel gave a brief summary of the recommendation to approve the proposal from Coastland Civil Engineering to update the District's Capital Improvement and Water Supply Augmentation Fees.

**Motion/Ferraro** to approve the proposal from Coastland Civil Engineering to update the District's Capital Improvement and Water Supply Augmentation Fees, in an amount not to exceed \$56,700. **Second/Graf. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

## **12. CONSIDER APPROVAL OF RECALCULATED CONTRIBUTION TO SACRAMENTO CENTRAL GROUNDWATER AUTHORITY**

Darlene J. Thiel gave a summary of the recommendation to approve the recalculated contribution to Sacramento Central Groundwater Authority (SCGA) for the 2016/2017 fiscal year. At the June 10, 2016 Board of Directors meeting, the Board directed staff and District Legal Counsel to submit a letter to the SCGA to withdraw from participation due to the substantial increase in the 2016/2017 annual contribution and not knowing if the basin boundary adjustment filed by the Sloughhouse Resource Conservation District (SRCD) would be approved. Since that time, the Department of Water Resources denied the basin boundary adjustment requested by SRCD keeping the District within the South American Sub-basin. The SCGA Budget Subcommittee has reviewed and re-evaluated the basis upon which the Rancho Murieta contribution is calculated.

**Motion/Pecotich** to approve the recalculated 2016/2017 contribution to Sacramento Central Groundwater Authority in the amount of \$10,511. Funding to come from Water Operations Budget. **Second/Graf. Ayes: Pasek, Ferraro, Graf, Pecotich. Noes: None. Absent: None. Abstain: Martel.**

## **13. CONSIDER APPOINTMENT OF DIRECTOR MARK PECOTICH TO THE PARKS COMMITTEE SUBCOMMITTEE REGARDING RANCHO MURIETA TRAILS**

Darlene J. Thiel gave a brief summary of the recommendation to appoint Director Pecotich as the District's representative on the Parks Subcommittee regarding Rancho Murieta Trails, if and/or when it is formed.

Director Martel stated he wanted it on the record that the District could get in trouble for violating the Federal laws regarding ADA accommodations on the trails.

**Motion/Graf** to appoint Director Pecotich as the District's representative on the Parks Subcommittee regarding Rancho Murieta Trails, if and/or when it is formed. **Second/Ferraro. ROLL CALL VOTE: Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

## **14. RECEIVE AND CONSIDER UPDATES**

### **A. Parks Committee**

The Committee discussed the District developing some sort of financing alternative for payment of the Water Supply Augmentation fees due for the Parks, to allow the money Rancho Murieta Association (RMA) currently has in the Parks funds to be used for actual construction of parks and allow payment to the District over some period of time with interest. Staff will research if the District has the authority/ability to act in a financing capacity.

### **B. Pending and Proposed Land Development Projects**

The next Stakeholder meeting is scheduled for Thursday November 17, 2016.

### **C. Midge Fly Ad Hoc Committee**

The Midge Fly Ad Hoc Committee is done meeting. The last committee meeting was held on October 24, 2016.

### **D. Solar Power Installation**

#### **Wastewater Treatment Plant Site**

Solar City is in the process of executing the contract for Bockman Woody (BW) to complete the SMUD power supply upgrade. They issued a Notice to Proceed to BW and BW is in process of determining a schedule as to when they will be back onsite.

#### **Water Treatment Plant Site**

Construction has yet to begin as Solar City is still waiting for approval from Sacramento County Permit Office/ Sacramento Metro Fire Department (SMFD) before proceeding. Revision three of the site plans were submitted to SMFD October 28, 2016. The subcontractor of SMFD who is reviewing the plans, Interwest Consulting Group, met with Solar City and SMFD on November 16, 2016. Paul Siebensohn attended. Official outcome of the meeting will be forthcoming.

### **12" Force Main Assessment**

The District is waiting for direction from Kennedy Jenks as to what specific soil tests they recommend we have the soil surrounding the pipe be tested for. We also have pieces of the pipe from the top end and bottom end of the pipeline secured in zip lock bags for whatever recommended testing Kennedy Jenks suggests.

## **15. RECEIVE QUARTERLY UPDATE ON 2016 BOARD GOALS**

President Pasek asked what the plan was for improving customer service. Darlene J. Thiel stated that she plans to have a link on the District's website for residents to make comments/kudos/complaints regarding their interaction with District staff.

President Pasek suggested that the Security Department follow up with residents that have made a report to Security. Chief Wagner should follow up to get feedback from the residents.

Director Martel stated that he has heard nothing but good things about the water department except that some residents have stated that return calls are not being made when they have left a voice mail message.

## **16. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES**

No discussion.

## **17. REVIEW MEETING DATES/TIMES**

Director Martel is not available for meetings on December 2, 2016. Darlene Thiel suggested that the December Security Committee meeting be cancelled and the RFP for the Security Department Review go directly to the Board in December for review and approval. By consensus, the Board agreed.

## **18. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF**

Eric Thompson stated that 2015-2016 audit will be presented at the December Board meeting.

Chief Paul Wagner stated that he received five (5) responses to the Security RFP.

Director Martel stated that a resident commented to him that a complaint that was made to Director Graf in January has not been taken care of. Director Martel will forward the information on to staff.

Director Pasek asked about the status of the closing out of the Water Treatment Plant project. Darlene J. Thiel stated that a counter offer has been made to GE and staff is waiting to hear back.

Director Ferraro thanked Richard Shanahan, District General Counsel, staff, and the current Board of Directors for all their hard work over the years and welcomed the new Directors. She stated that the staff does an outstanding job.

Director Pecotich thanked Directors Ferraro and Martel for their service.

Darlene J. Thiel also thanked Director Ferraro and Martel.

## **19. ADJOURNMENT**

**Motion/Ferraro** to adjourn at 5:58 p.m. **Second/Graf. Ayes: Pasek, Ferraro, Graf, Martel, Pecotich. Noes: None. Absent: None. Abstain: None.**

Respectfully submitted,

Suzanne Lindenfeld  
District Secretary

## MEMORANDUM

Date: December 14, 2016  
To: Board of Directors  
From: Eric Thompson, Controller  
Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **November 2016**. 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>
California Waste Recovery Systems	Solid Waste Monthly Contract	\$ 46,567.38	Operating Expense
County of Sacramento	Quarterly Solid Waste Disposal	\$ 8,779.82	Operating Expense
Dunbar Comfort Solutions, Inc	HVAC Repairs & Maintenance	\$ 5,020.10	Operating Expense
Golden State Flow Measurement	Water Meters & Boxes	\$ 8,310.63	Operating Expense
Kennedy/Jenks Consultants, Inc	Recycled Water Program Report	\$ 31,340.00	Water Augmentation Reserves
Rancho Murieta 205, LP	Prior Infrastructure Reimbursement	\$ 28,910.00	Operating Expense
State Water Resources Control Board	Permits	\$ 18,742.71	Operating Expense
California Special Districts Assoc	Membership	\$ 6,485.00	Operating Expense
Hach Company	Repairs & Maintenance	\$ 5,384.89	Operating Expense
McCrometer	Repairs & Maintenance	\$ 7,097.41	Operating Expense
S.M.U.D.	Purchased Power	\$ 30,140.63	Operating Expense

PREPARED BY: Eric Thompson, Controller

REVIEWED BY:  , District Treasurer

## Rancho Murieta Community Services District Bills Paid Listing for November 2016

Ck Number	Date	Vendor	Amount	Purpose
CM31388	11/1/2016	California Public Employees' Retirement Sys	\$38,405.77	Payroll
CM31389	11/1/2016	Guardian Life Insurance	\$5,381.60	Payroll
CM31390	11/1/2016	Socius	\$3,660.56	Software
CM31391	11/1/2016	Vision Service Plan (CA)	\$456.63	Payroll
CM31392	11/4/2016	A Leap Ahead IT	\$3,730.74	Monthly IT Service
CM31393	11/4/2016	Accounting & Association Software Group	\$41.25	IT Consulting
CM31394	11/4/2016	All Electric Motors, Inc.	\$3,971.70	Repairs & Maintenance
CM31395	11/4/2016	American Family Life Assurance Co.	\$523.39	Payroll
CM31396	11/4/2016	Applications By Design, Inc.	\$2,516.65	Monthly IT Service
CM31397	11/4/2016	Aramark Uniform & Career Apparel, LLC	\$273.98	Uniform Service
CM31398	11/4/2016	AT&T	\$60.00	Monthly Internet
CM31399	11/4/2016	Backflow Distributors Inc	\$110.00	Repairs & Maintenance
CM31400	11/4/2016	Bank of America	\$75.75	Bank Fee closed CFD#1 Acct
CM31401	11/4/2016	Bay Area Process, Inc.	\$519.55	Repairs & Maintenance
CM31402	11/4/2016	Borges & Mahoney	\$67.60	Chemicals
CM31403	11/4/2016	California Public Employees' Retirement Sys	\$11,409.56	Payroll
CM31404	11/4/2016	California Waste Recovery Systems	\$46,567.38	Solid Waste Monthly Contract
CM31405	11/4/2016	CWEA	\$83.00	Employee Certification
CM31406	11/4/2016	Cell Energy Inc.	\$1,002.50	Repairs & Maintenance
CM31407	11/4/2016	Chrysler Capital	\$156.80	Leased Vehicle Payment
CM31408	11/4/2016	Capital One Commercial	\$867.34	Monthly Supplies
CM31409	11/4/2016	County of Sacramento	\$8,779.82	Quarterly Solid Waste Disposal
CM31410	11/4/2016	Deluxe Business Checks and Solutions	\$254.03	Office Supplies
CM31411	11/4/2016	Ditch Witch Equipment Company, Inc.	\$701.84	Tools
CM31412	11/4/2016	Dunbar Comfort Solutions Inc.	\$5,020.10	Repairs & Maintenance
CM31413	11/4/2016	Employment Development Department	\$2,643.88	Payroll
CM31414	11/4/2016	Environmental Resource Associates	\$210.26	Lab Testing
CM31415	11/4/2016	EVO Emergency Vehicle Outfitters	\$3,012.74	Siren & Lights #522
CM31416	11/4/2016	Express Office Products, Inc.	\$254.09	Office Supplies
CM31417	11/4/2016	Franchise Tax Board	\$100.00	Payroll
CM31418	11/4/2016	Galls/Quartermaster	\$143.88	Uniforms
CM31419	11/4/2016	Golden State Flow Measurement	\$8,310.63	Water Meters & Boxes
CM31420	11/4/2016	Groeniger & Company	\$3,765.23	Repairs & Maintenance
CM31421	11/4/2016	Hach Company	\$956.60	Repairs & Maintenance
CM31422	11/4/2016	Harrold Ford	\$1,224.25	Service & Repairs #212
CM31423	11/4/2016	Hastie's Capitol Sand and Gravel Co.	\$772.64	Repairs & Maintenance
CM31424	11/4/2016	Kennedy/Jenks Consultants, Inc.	\$31,340.00	Recycled Water Program Report
CM31425	11/4/2016	Legal Shield	\$43.21	Payroll
CM31426	11/4/2016	Rollin Mazzera	\$522.80	Property Damage Reimbursement
CM31427	11/4/2016	McMaster-Carr Supply Co.	\$851.31	Repairs & Maintenance



## Rancho Murieta Community Services District Bills Paid Listing for November 2016

Ck Number	Date	Vendor	Amount	Purpose
CM31428	11/4/2016	Nationwide Retirement Solution	\$1,857.00	Payroll
CM31429	11/4/2016	Operating Engineers Local Union No. 3	\$573.16	Payroll
CM31430	11/4/2016	Pacific Copy & Print	\$676.66	Office Supplies
CM31431	11/4/2016	PDF Tactical	\$2,789.90	Contract Security
CM31432	11/4/2016	Prowave Audio Visual	\$3,434.88	Board Room Audio
CM31433	11/4/2016	Quincy Compressor LLC	\$324.04	Repairs & Maintenance
CM31434	11/4/2016	Rancho Murieta 205, LP	\$28,910.00	Prior Infrastructure Reimbursement
CM31435	11/4/2016	Rancho Murieta Ace Hardware	\$238.84	Repairs & Maintenance
CM31436	11/4/2016	Santander Leasing	\$240.00	Leased Vehicle Payment
CM31437	11/4/2016	Sierra Office Supplies	\$243.00	Office Supplies
CM31438	11/4/2016	State of California	\$132.00	Pre-Employment Screening
CM31439	11/4/2016	State Water Resources Control Board	\$18,742.71	Permits
CM31440	11/4/2016	TASC	\$783.37	Payroll
CM31441	11/4/2016	U.S. Bank Corp. Payment System	\$3,120.45	Monthly Gasoline & Supplies Bill
CM31442	11/4/2016	U.S. HealthWorks Medical Group, PC	\$94.00	Pre-Employment Screening
CM31443	11/4/2016	U.S. Postmaster	\$430.00	Annual Permit
CM31444	11/4/2016	Univar USA Inc.	\$1,215.31	Chemicals
CM31445	11/4/2016	USA Blue Book	\$2,468.29	Repairs & Maintenance
CM31446	11/4/2016	W.W. Grainger Inc.	\$2,378.41	Repairs & Maintenance
CM31447	11/4/2016	Wilbur-Ellis Company	\$1,692.01	Chemicals
EFT	11/4/2016	EFTPS	\$10,257.59	Payroll
EFT	11/4/2016	EFTPS	\$316.85	Payroll
CM31448	11/18/2016	Action Cleaning Systems	\$1,172.00	Monthly Cleaning Service
CM31449	11/18/2016	Martin Aguilar	\$100.00	Conservation
CM31450	11/18/2016	All Electric Motors, Inc.	\$720.69	Repairs & Maintenance
CM31451	11/18/2016	American Family Life Assurance Co.	\$523.39	Payroll
CM31452	11/18/2016	Aramark Uniform & Career Apparel, LLC	\$191.20	Uniform Service
CM31453	11/18/2016	AT&T	\$55.00	Monthly Internet Bill
CM31454	11/18/2016	AT&T	\$963.99	Monthly Cell Phone Bill
CM31455	11/18/2016	Bartkiewicz, Kronick & Shanahan	\$3,777.17	Legal Services
CM31456	11/18/2016	Sally Beals	\$100.00	Conservation
CM31457	11/18/2016	California Laboratory Services	\$2,168.74	Monthly Lab Tests
CM31458	11/18/2016	California Public Employees' Retirement Sys	\$9,949.59	Payroll
CM31459	11/18/2016	California Special Districts Association	\$6,485.00	Membership
CM31460	11/18/2016	California State Disbursement Unit	\$238.61	Payroll
CM31461	11/18/2016	Caltronics Business Systems	\$856.23	Copier Lease - Admin
CM31462	11/18/2016	Cell Energy Inc.	\$132.12	Repairs & Maintenance
CM31463	11/18/2016	County of Sacramento	\$500.06	Off-Duty Sheriff
CM31464	11/18/2016	County of Sacramento	\$27.00	Pre-Employment Screening
CM31465	11/18/2016	EDCO Enterprises	\$3,480.00	Repairs & Maintenance

## Rancho Murieta Community Services District Bills Paid Listing for November 2016

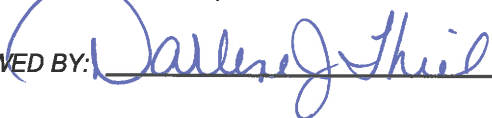
Ck Number	Date	Vendor	Amount	Purpose
CM31466	11/18/2016	Employment Development Department	\$2,500.87	Payroll
CM31467	11/18/2016	Express Office Products, Inc.	\$919.11	Office Supplies
CM31468	11/18/2016	Franchise Tax Board	\$72.94	Payroll
CM31469	11/18/2016	Greenfield Communications	\$142.97	Internet/TV
CM31470	11/18/2016	Hach Company	\$5,384.89	Repairs & Maintenance
CM31471	11/18/2016	Harrold Ford	\$183.85	Service & Repairs #215
CM31472	11/18/2016	Ernest LeBlanc	\$100.00	Conservation
CM31473	11/18/2016	Legal Shield	\$43.21	Payroll
CM31474	11/18/2016	Anne H Long (DBA) Marion Leasing	\$528.13	Copier Lease - Admin
CM31475	11/18/2016	McCrometer	\$7,097.41	Repairs & Maintenance
CM31476	11/18/2016	Nationwide Retirement Solution	\$1,857.00	Payroll
CM31477	11/18/2016	Operating Engineers Local Union No. 3	\$573.16	Payroll
CM31478	11/18/2016	Pacific Utility Construction	\$950.00	Hydrant Refund
CM31479	11/18/2016	John Patterson	\$950.00	Hydrant Refund
CM31480	11/18/2016	PDF Tactical	\$4,087.79	Contract Security
CM31481	11/18/2016	Pitney Bowes	\$164.30	Office Supplies
CM31482	11/18/2016	Prodigy Electric & Controls Inc.	\$3,025.00	Repairs & Maintenance
CM31483	11/18/2016	Public Agency Retirement Services	\$300.00	Payroll
CM31484	11/18/2016	Rancho Murieta Association	\$150.00	Landscaping
CM31485	11/18/2016	Rancho Murieta Association	\$639.88	VOIDED
CM31486	11/18/2016	Regional Water Authority	\$55.00	Networking
CM31487	11/18/2016	Romo Landscaping	\$385.00	Landscaping
CM31488	11/18/2016	S. M. U. D.	\$30,140.63	Monthly Bill
CM31489	11/18/2016	Sacramento Bee	\$354.00	Employment Advertising
CM31490	11/18/2016	Sierra Chemical Co.	\$687.51	Chemicals
CM31491	11/18/2016	Sprint	\$189.95	Monthly Air Cards Bill
CM31492	11/18/2016	State of California	\$32.00	Pre-Employment Screening
CM31493	11/18/2016	Streamline	\$300.00	Website Hosting
CM31494	11/18/2016	TASC	\$64.41	Payroll
CM31495	11/18/2016	TASC	\$783.37	Payroll
CM31496	11/18/2016	TelePacific Communications	\$636.23	Monthly Phone Bill
CM31497	11/18/2016	U.S. HealthWorks Medical Group, PC	\$875.00	Annual Flu Vaccines
CM31498	11/18/2016	USA Blue Book	\$41.04	Repairs & Maintenance
CM31499	11/18/2016	W.W. Grainger Inc.	\$1,509.84	VOIDED
CM31500	11/18/2016	WaterISAC	\$499.00	Membership
CM31501	11/18/2016	Western Exterminator Co.	\$574.00	Monthly Service & Rodent Control
CM31502	11/18/2016	Anne White	\$100.00	Conservation
CM31503	11/18/2016	Rancho Murieta Association	\$389.88	Smud @ North Gate
CM31504	11/18/2016	Rancho Murieta Association	\$250.00	Director Expense
EFT	11/18/2016	EFTPS	\$10,154.11	Payroll



## Rancho Murieta Community Services District Bills Paid Listing for November 2016

Ck Number	Date	Vendor	Amount	Purpose
EFT	11/23/2016	Pitney Bowes	\$1,250.00	Postage Machine Refill
EFT	11/25/2016	EFTPS	\$710.02	Payroll
		<b>TOTAL</b>	<b>\$378,650.10</b>	
		<u>CFD#1 Bank of America Checking</u>		
		<b>--- ACCOUNT CLOSED ---</b>		
		<b>TOTAL</b>	<b>\$0.00</b>	
		<u>CFD 2014-1 Bank of America Checking</u>		
CM2031	11/18/2016	Corelogic Solutions, LLC	\$165.00	CFD 2014-1 Admin Cost
		<b>TOTAL</b>	<b>\$165.00</b>	
		<u>EL DORADO PAYROLL</u>		
Checks: CM11531 to CM11542 and Direct Deposits: DD09257 to DD09322			\$ 122,444.15	Payroll
EFT	11/30/2016	National Payment Corp	\$133.82	Payroll
		<b>TOTAL</b>	<b>\$122,577.97</b>	

PREPARED BY: Eric Thompson, Controller

REVIEWED BY:  , District Treasurer

## MEMORANDUM

Date: December 16, 2016  
To: Board of Directors  
From: Darlene J. Thiel, General Manager  
Subject: General Manager's Report

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Following are highlights since our last Board Meeting:

### **COUNTY STAKEHOLDER MEETINGS**

The last Stakeholder meeting was held on Thursday, November 17, at 10:00 in the District Administration Building. The developer presented their revised tentative subdivision maps for the proposed Rancho North development but stated they are continuing to work on revisions because of new information discovered regarding the Resource Protection Area. When the developer (or applicant) submits the revised proposed subdivision maps to the County, the developer will begin new/continued public outreach. The revised submittal may result in the County issuing a new Notice of Preparation of a Draft Environmental Impact Report and a new scoping meeting.

### **WATER CONSERVATION**

In November, the community's residential gallons per capita per day (R-GPCD) usage was 105 gallons, a reduction of 48% from October R-GPCD. This is lowest R-GPCD for the month of November since 2013. Calendar year to date residential conservation through November as compared to the same period in 2013 is 25%. Total year to date potable use, which includes commercial and District usage, is 21% lower than the same time-period in 2013.

### **OPEN HOUSE TO MEET THE NEW SECURITY CHIEF**

We have scheduled an open house type of event to meet Chief Wagner for January 31, 2017 from 4:00 p.m. to 7:00 p.m. at the District's Administration Building. I believe that this forum will allow for good one on one conversation between Chief Wagner and interested residents. I plan to have Chief Wagner give a brief statement to the entire group on hand periodically through the evening about his ideas regarding Security over the next few years.

### **GE WATER TREATMENT PLANT #1 CONTRACT CLOSEOUT**

Jeff Dees, Roebbelen, is in continued communication with Joe O'Reilly, GE, regarding the GE Scope Change Request. Jeff anticipates receiving a reply to Roebbelen's counter dated November 7, 2016 no later than January 6, 2017. If a reasonable counter is received, we plan to bring it forward to the Board for approval at the January 18, 2017 Board of Directors meeting.

## MEMORANDUM

Date: December 15, 2016  
 To: Board of Directors  
 From: Eric Thompson, Controller  
 Subject: Administration/Financial Reports

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Enclosed is a combined financial summary report for **November 2016**. 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 informational items of interest are included.*

**Water Consumption** - 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
<b>Residences</b>	0.7%	2,524	2,531	2,531	2,534	2,534							
	Weighted average	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Cubic Feet</b>	2,517	2,489	2,545	2,188	2,259	1,977							
<b>Gallons per day</b>	628	621	635	545	563	493							
<b>Planning Usage GPD</b>	<b>583</b>												

**Lock-Offs** – For the month of November, there were 23 lock-offs.

**Connection Fees** – There was one (1) new service connection in November.

**Aging Report** – Delinquent accounts totaled \$129,803 which was 21.6% of the total accounts receivable balance of \$602,139. Past due receivables increased 27.7% or \$28,165 from the prior month. This increase is due primarily to billings on undeveloped parcels.

**Summary of Reserve Accounts as of November, 2016** – The District’s reserve accounts increased \$55,814 during the month of November and have increased \$270,202 since the beginning of the fiscal year. Other than normal inter-fund borrowing repayments, the only other reserve transaction was a new connection fee received on permit #1414 for Retreats common area irrigation which added: \$459 to Water Capital Improvement Reserves, \$1,862 to Water Augmentation Reserves, \$350 to Sewer Capital Improvement Reserves, \$74 to Drainage Capital Improvement Reserves, and \$296 to Security Improvement Reserves. The total amount of reserves held by the District on November 30, 2016 was \$5,058,125. See the table below for information by specific reserve account.

## Reserve Fund Balances

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2016</i>	<i>YTD Collected &amp; Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Nov 30, 2016</i>
Water Capital Replacement (200-2505)	826,443	103,280	(0)	929,723
Sewer Capital Replacement (250-2505)	1,915,904	165,332	(38)	2,081,198
Drainage Capital Replacement (260-2505)	71,601	119	(0)	71,720
Security Capital Replacement (500-2505)	90,972	19,183	(25,332)	84,823
Admin Capital Replacement (xxx-2505-99)	57,174	0	(0)	57,174
Sewer Capital Improvement Connection (250-2500)	4,045	6	(0)	4,051
Capital Improvement (xxx-2510)	331,445	16,146	(0)	347,591
Water Supply Augmentation (200-2511)	1,758,673	30,757	(51,556)	1,737,874
WTP Construction Fund Reserve (200-2513)	(281,547)	78,094	(82,936)	(286,389)
Security Impact Fee Reserves (500-2513)	13,214	17,146	(0)	30,360
<b>Total Reserves</b>	<b>4,787,924</b>	<b>430,063</b>	<b>(159,862)</b>	<b>5,058,125</b>

## 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, 2016</i>
Sewer Loan to WTP Construction Fund	1,277,709	3,309	(61,880)	1,219,138
WSA Loan to WTP Construction Fund	425,903	1,103	(20,626)	406,380
N. Gate Security Loan from Drainage Fund	86,039	217	(9,732)	76,524
<b>Total Inter-fund Borrowing</b>	<b>1,789,651</b>	<b>4,629</b>	<b>(92,238)</b>	<b>1,702,042</b>

**PARS GASB 45 Trust** - The PARS GASB 45 Trust, which is the investment trust established to fund Other Post Employment Benefits, had the following returns:

Period ended September 30, 2016		
1-Month	3-Months	1-Year
0.26%	2.99%	10.36%

## Financial Summary Report (year-to-date through November 30, 2016)

### Revenues:

**Water Charges**, year-to-date, are **above** budget \$31,221 or **3.4%**

**Sewer Charges**, year-to-date, are **below** budget \$2,901 or **(0.5%)**

**Drainage Charges**, year-to-date, are **below** budget \$526 or **(0.7%)**

**Security Charges**, year-to-date, are **below budget \$3,182 or (0.6%)**

**Solid Waste Charges**, year-to-date, are **above budget \$638 or 0.2%**

**Total Revenue**, which includes other income, property taxes, and interest income year-to-date, is **above budget \$58,698 or 2.2%** (Water Conservation Efforts - YTD residential water usage is up 5.0% versus budget).

**Expenses:** Year-to-date total operating expenses are **below budget \$157,885 or (6.6%)**. 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 **below budget \$17,385 or (2.5%)**. Water Department wages and employer costs are over budget by \$45,876 or 16.2% so far this year (primarily in Water Treatment). Savings have been seen across most other expense categories, with the largest savings seen in: power, meters/boxes, chemicals, consulting, and conservation. Permits and non-routine maintenance were two largest expense categories that were over budget and this was due to timing differences between budgeted and actual expenditures.

**Sewer Expenses**, year-to-date, are **below budget by \$104,589 or (23.7%)**. The Sewer Department continues to see savings across most expense categories, with the largest savings coming from repairs and maintenance, permits, consulting, chemicals, wages, and employer costs. Sewer wages are under budget 18.8% so far this year due to personnel allocating more time to the Water Department.

**Drainage Expenses**, year-to-date, are **above budget by \$997 or 1.7%**. Wages and employer costs are the Drainage Department's largest budget overruns due to additional personnel being allocated to the department as the seasons change. Despite the overage in wages and employer costs, the department is under budget on consulting, equipment rental, and improvements.

**Combined Water/Sewer/Drainage Wages & Employer Costs**, year-to-date, are **above budget by \$14,091 or 2.7%**. 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 \$2,357 or (0.5%)**. The Security Department has seen savings across most expense categories so far this year. The biggest savings has come from position vacancies (savings in salaries & wages), but this has been partially offset by contract security personnel costs. Additional savings has been seen in consulting, equipment repairs, and vehicle maintenance expenditures. The largest overage has been in employer costs and is related to additional personnel (retired & active) being covered by health insurance.

**Solid Waste Expenses**, year-to-date, are **above budget by \$1,318 or 0.5%**. Solid waste revenues and expenses are both slightly over budget through the end of November.

**General Expenses**, year-to-date, are **below budget by \$35,870 or (7.4%)**. Part of this savings (roughly \$13,500) is due to a timing issue with the billing (versus budget) of our FY2015-16 audit. Actual savings were seen across most expense categories so far this year, with the biggest savings being in salaries & wages, director meeting payments, employer costs, travel/meetings, and IT systems maintenance. Insurance, equipment maintenance, legal expenses, and membership are the biggest line items that were over-budget through November.

**Net Income:** Year-to-date unadjusted net income, before depreciation, is \$441,516 versus a budget of \$224,933. Net income/(Loss) adjusted for estimated depreciation expense is (\$27,557). The full-year expected net operating income (loss) before depreciation, per the 2016-2017 budget is (\$110).

**Rancho Murieta Community Services District**  
**Summary Budget Performance Report**  
**YTD THROUGH NOVEMBER 2016**

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
<b>REVENUES</b>								
Water Charges	32.4%	\$1,939,830	35.5%	\$928,778	\$959,999	35.9%	\$31,221	3.4%
Sewer Charges	21.9%	1,312,546	20.9%	546,520	543,619	20.3%	(2,901)	(0.5%)
Drainage Charges	3.2%	189,270	3.0%	78,865	78,339	2.9%	(526)	(0.7%)
Security Charges	21.2%	1,268,890	20.2%	528,700	525,518	19.7%	(3,182)	(0.6%)
Solid Waste Charges	10.7%	640,000	10.2%	266,670	267,308	10.0%	638	0.2%
Other Income	1.8%	108,420	1.6%	42,667	74,531	2.8%	31,864	74.7%
Interest Earnings	0.1%	3,580	0.1%	1,360	2,942	0.1%	1,582	116.3%
Property Taxes	8.9%	531,760	8.5%	221,567	240,602	9.0%	19,035	8.6%
Property Taxes (Reserve Alloc)	0.0%		0.0%		(19,033)	-0.7%	(19,033)	0.0%
<b>Total Revenues</b>	<b>100.0%</b>	<b>5,994,296</b>	<b>100.0%</b>	<b>2,615,127</b>	<b>2,673,825</b>	<b>100.0%</b>	<b>58,698</b>	<b>2.2%</b>
<b>OPERATING EXPENSES</b>								
<b>Water/Sewer/Drainage</b>								
Wages	15.2%	911,000	14.6%	347,900	354,118	15.9%	6,218	1.8%
Employer Costs	7.4%	445,010	7.4%	177,400	185,272	8.3%	7,872	4.4%
Power	6.3%	379,540	5.7%	135,367	129,262	5.8%	(6,105)	(4.5%)
Chemicals	3.3%	194,340	3.5%	84,335	52,912	2.4%	(31,423)	(37.3%)
Maint & Repair	5.7%	340,150	5.2%	124,450	118,677	5.3%	(5,773)	(4.6%)
Meters/Boxes	0.9%	54,000	0.8%	20,000	8,243	0.4%	(11,757)	(58.8%)
Lab Tests	0.7%	44,200	0.6%	15,250	14,240	0.6%	(1,010)	(6.6%)
Permits	1.2%	73,100	2.2%	53,017	53,109	2.4%	92	0.2%
Training/Safety	0.4%	21,500	0.4%	10,525	4,649	0.2%	(5,876)	(55.8%)
Equipment Rental	0.6%	35,930	0.5%	12,000		0.0%	(12,000)	(100.0%)
Other	7.8%	466,550	8.8%	210,150	148,935	6.7%	(61,215)	(29.1%)
<b>Subtotal Water/Sewer/Drainage</b>	<b>49.6%</b>	<b>2,965,320</b>	<b>49.8%</b>	<b>1,190,394</b>	<b>1,069,417</b>	<b>47.9%</b>	<b>(120,977)</b>	<b>(10.2%)</b>
<b>Security</b>								
Wages	11.3%	677,600	10.8%	258,300	247,012	11.1%	(11,288)	(4.4%)
Employer Costs	6.5%	389,600	6.5%	154,200	168,981	7.6%	14,781	9.6%
Off Duty Sheriff Patrol	0.1%	4,000	0.1%	2,700	3,583	0.2%	883	32.7%
Other	2.1%	128,330	2.3%	55,095	48,362	2.2%	(6,733)	(12.2%)
<b>Subtotal Security</b>	<b>20.1%</b>	<b>1,199,530</b>	<b>19.7%</b>	<b>470,295</b>	<b>467,938</b>	<b>21.0%</b>	<b>(2,357)</b>	<b>(0.5%)</b>
<b>Solid Waste</b>								
CWRS Contract	9.3%	555,700	9.7%	231,540	232,781	10.4%	1,241	0.5%
Sacramento County Admin Fee	0.6%	34,800	0.6%	14,500	14,577	0.7%	77	0.5%
HHW Event	0.3%	15,710	0.0%			0.0%		0.0%
<b>Subtotal Solid Waste</b>	<b>10.1%</b>	<b>606,210</b>	<b>10.3%</b>	<b>246,040</b>	<b>247,358</b>	<b>11.1%</b>	<b>1,318</b>	<b>0.5%</b>
<b>General / Admin</b>								
Wages	8.7%	518,100	8.0%	192,000	184,331	8.3%	(7,669)	(4.0%)
Employer Costs	4.6%	276,500	4.6%	109,700	109,560	4.9%	(140)	(0.1%)
Insurance	1.4%	86,400	1.5%	36,000	38,543	1.7%	2,543	7.1%
Legal	1.0%	60,000	1.0%	25,000	31,273	1.4%	6,273	25.1%
Office Supplies	0.4%	22,800	0.4%	9,500	8,005	0.4%	(1,495)	(15.7%)
Director Meetings	0.3%	18,000	0.3%	7,500	3,200	0.1%	(4,300)	(57.3%)
Telephones	0.1%	5,400	0.1%	2,250	2,864	0.1%	614	27.3%
Information Systems	1.3%	77,450	1.8%	43,220	26,832	1.2%	(16,388)	(37.9%)
Community Communications	0.1%	5,900	0.1%	2,250	954	0.0%	(1,296)	(57.6%)
Postage	0.4%	21,600	0.4%	9,000	7,922	0.4%	(1,078)	(12.0%)
Janitorial/Landscape Maint	0.3%	17,040	0.3%	7,125	6,281	0.3%	(844)	(11.8%)
Other	1.6%	97,320	1.7%	39,920	27,831	1.2%	(12,089)	(30.3%)
<b>Subtotal General / Admin</b>	<b>20.2%</b>	<b>1,206,510</b>	<b>20.2%</b>	<b>483,465</b>	<b>447,596</b>	<b>20.1%</b>	<b>(35,869)</b>	<b>(7.4%)</b>
<b>Total Operating Expenses</b>	<b>100.0%</b>	<b>5,977,570</b>	<b>100.0%</b>	<b>2,390,194</b>	<b>2,232,309</b>	<b>100.0%</b>	<b>(157,885)</b>	<b>(6.6%)</b>
<b>Operating Income (Loss)</b>	<b>100.0%</b>	<b>16,726</b>	<b>100.0%</b>	<b>224,933</b>	<b>441,516</b>	<b>100.0%</b>	<b>216,583</b>	<b>96.3%</b>
<b>Non-Operating Expenses</b>								
Sewer Reserve Expenditure	100.0%	16,836	0.0%			0.0%		0.0%
<b>Total Non-Operating Expenses</b>	<b>100.0%</b>	<b>16,836</b>	<b>0.0%</b>	<b></b>	<b></b>	<b>0.0%</b>	<b></b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>100.0%</b>	<b>(110)</b>	<b>100.0%</b>	<b>224,933</b>	<b>441,516</b>	<b>100.0%</b>	<b>216,583</b>	<b>96.3%</b>

PREPARED BY: Eric Thompson, Controller

REVIEWED BY:  , District Treasurer



## Rancho Murieta Community Services District

### Budget Performance Report by FUND YTD THROUGH NOVEMBER 2016

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount %	
<b>WATER</b>								
<b>REVENUES</b>								
Water Charges	98.4%	\$1,939,830	98.8%	\$928,778	\$959,999	96.8%	\$31,221	3.4%
Interest Earnings	0.1%	2,530	0.1%	860	1,211	0.1%	351	40.8%
Other Income	1.4%	28,160	1.1%	10,525	30,942	3.1%	20,417	194.0%
<b>Total Water Revenues</b>	<b>100.0%</b>	<b>1,970,520</b>	<b>100.0%</b>	<b>940,163</b>	<b>992,152</b>	<b>100.0%</b>	<b>51,989</b>	<b>5.5%</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	28.8%	491,940	27.2%	187,866	215,565	32.0%	27,699	14.7%
Employer Costs	14.1%	240,620	13.9%	95,796	113,973	16.9%	18,177	19.0%
Power	14.9%	254,240	12.7%	87,967	70,892	10.5%	(17,075)	(19.4%)
Chemicals	7.3%	124,100	8.1%	55,735	28,814	4.3%	(26,921)	(48.3%)
T&O - Chemicals/Treatment	0.4%	7,200	0.5%	3,600	7,375	1.1%	3,775	104.9%
Maint & Repair	8.3%	142,000	8.2%	56,450	72,687	10.8%	16,237	28.8%
Meters/Boxes	3.2%	54,000	2.9%	20,000	8,243	1.2%	(11,757)	(58.8%)
Lab Tests	1.6%	28,000	1.2%	8,500	6,733	1.0%	(1,767)	(20.8%)
Permits	1.9%	32,000	1.8%	12,500	32,299	4.8%	19,799	158.4%
Training/Safety	0.5%	9,300	0.5%	3,200	1,388	0.2%	(1,812)	(56.6%)
Equipment Rental	1.2%	21,000	0.9%	6,500		0.0%	(6,500)	(100.0%)
Other Direct Costs	17.7%	301,140	22.1%	152,645	115,405	17.1%	(37,240)	(24.4%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>1,705,540</b>	<b>100.0%</b>	<b>690,759</b>	<b>673,374</b>	<b>100.0%</b>	<b>(17,385)</b>	<b>(2.5%)</b>
<b>Water Income (Loss)</b>	<b>15.5%</b>	<b>264,980</b>	<b>36.1%</b>	<b>249,404</b>	<b>318,778</b>	<b>47.3%</b>	<b>69,374</b>	<b>27.8%</b>
<b>38.9% Net Admin Alloc</b>	<b>15.5%</b>	<b>265,061</b>	<b>14.9%</b>	<b>103,246</b>	<b>88,999</b>	<b>13.2%</b>	<b>(14,247)</b>	<b>(13.8%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(81)</b>	<b>21.2%</b>	<b>146,158</b>	<b>229,779</b>	<b>34.1%</b>	<b>83,621</b>	<b>57.2%</b>
<b>SEWER</b>								
<b>REVENUES</b>								
Sewer Charges	98.6%	1,312,546	98.7%	546,520	543,619	98.0%	(2,901)	(0.5%)
Interest Earnings	0.0%	180	0.0%	75	1,140	0.2%	1,065	1,420.0%
Other Income	1.4%	18,500	1.3%	7,160	9,950	1.8%	2,790	39.0%
<b>Total Sewer Revenues</b>	<b>100.0%</b>	<b>1,331,226</b>	<b>100.0%</b>	<b>553,755</b>	<b>554,709</b>	<b>100.0%</b>	<b>954</b>	<b>0.2%</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	31.9%	355,290	30.8%	135,681	110,143	32.8%	(25,538)	(18.8%)
Employer Costs	15.6%	173,280	15.7%	69,186	56,805	16.9%	(12,381)	(17.9%)
Power	10.4%	115,500	10.1%	44,600	55,006	16.4%	10,406	23.3%
Chemicals	5.2%	58,040	5.3%	23,500	15,565	4.6%	(7,935)	(33.8%)
Maint & Repair	16.7%	186,250	14.3%	63,000	40,190	12.0%	(22,810)	(36.2%)
Lab Tests	1.5%	16,200	1.5%	6,750	7,507	2.2%	757	11.2%
Permits	3.2%	35,100	7.8%	34,517	14,297	4.3%	(20,220)	(58.6%)
Training/Safety	1.1%	12,200	1.7%	7,325	3,261	1.0%	(4,064)	(55.5%)
Equipment Rental	0.9%	10,200	1.0%	4,500		0.0%	(4,500)	(100.0%)
Other Direct Costs	13.5%	149,960	11.7%	51,355	33,051	9.8%	(18,304)	(35.6%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>1,112,020</b>	<b>100.0%</b>	<b>440,414</b>	<b>335,825</b>	<b>100.0%</b>	<b>(104,589)</b>	<b>(23.7%)</b>
<b>Sewer Income (Loss)</b>	<b>19.7%</b>	<b>219,206</b>	<b>25.7%</b>	<b>113,341</b>	<b>218,884</b>	<b>65.2%</b>	<b>105,543</b>	<b>93.1%</b>
<b>29.7% Net Admin Alloc</b>	<b>18.2%</b>	<b>202,373</b>	<b>17.9%</b>	<b>78,828</b>	<b>67,950</b>	<b>20.2%</b>	<b>(10,878)</b>	<b>(13.8%)</b>
<b>Reserve Expenditures</b>	<b>1.5%</b>	<b>16,836</b>	<b>0.0%</b>			<b>0.0%</b>		<b>0.0%</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(3)</b>	<b>7.8%</b>	<b>34,513</b>	<b>150,934</b>	<b>44.9%</b>	<b>116,421</b>	<b>337.3%</b>
<b>DRAINAGE</b>								
<b>REVENUES</b>								
Drainage Charges	100.0%	189,270	100.0%	78,865	78,339	100.0%	(526)	(0.7%)
Interest Earnings	0.0%	50	0.0%	25	24	0.0%	(1)	(4.0%)
<b>Total Drainage Revenues</b>	<b>100.0%</b>	<b>189,320</b>	<b>100.0%</b>	<b>78,890</b>	<b>78,363</b>	<b>100.0%</b>	<b>(527)</b>	<b>(0.7%)</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	43.2%	63,770	41.1%	24,353	28,410	47.2%	4,057	16.7%
Employer Costs	21.1%	31,110	21.0%	12,418	14,494	24.1%	2,076	16.7%
Power	6.6%	9,800	4.7%	2,800	3,364	5.6%	564	20.1%
Chemicals	3.4%	5,000	2.5%	1,500	1,158	1.9%	(342)	(22.8%)
Maint & Repair	8.1%	11,900	8.4%	5,000	5,800	9.6%	800	16.0%
Permits	4.1%	6,000	10.1%	6,000	6,513	10.8%	513	8.6%
Equipment Rental	3.2%	4,730	1.7%	1,000		0.0%	(1,000)	(100.0%)
Other Direct Costs	10.5%	15,450	10.4%	6,150	479	0.8%	(5,671)	(92.2%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>147,760</b>	<b>100.0%</b>	<b>59,221</b>	<b>60,218</b>	<b>100.0%</b>	<b>997</b>	<b>1.7%</b>
<b>Drainage Income (Loss)</b>	<b>28.1%</b>	<b>41,560</b>	<b>33.2%</b>	<b>19,669</b>	<b>18,145</b>	<b>30.1%</b>	<b>(1,524)</b>	<b>(7.7%)</b>
<b>6.1% Net Admin Alloc</b>	<b>28.1%</b>	<b>41,565</b>	<b>27.3%</b>	<b>16,190</b>	<b>13,956</b>	<b>23.2%</b>	<b>(2,234)</b>	<b>(13.8%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(5)</b>	<b>5.9%</b>	<b>3,479</b>	<b>4,189</b>	<b>7.0%</b>	<b>710</b>	<b>20.4%</b>
<b>SECURITY</b>								
<b>REVENUES</b>								
Security Charges	94.8%	1,268,890	94.8%	528,700	525,518	93.6%	(3,182)	(0.6%)
Interest Earnings	0.0%	400	0.0%	200	232	0.0%	32	16.0%
Property Tax	1.4%	19,360	1.4%	8,065	27,100	4.8%	19,035	236.0%
Property Tax (Reserve Alloc)	0.0%		0.0%		(19,033)	-3.4%	(19,033)	0.0%



## Rancho Murieta Community Services District

### Budget Performance Report by FUND YTD THROUGH NOVEMBER 2016

	% of Annual		% of YTD		YTD Actuals	% of Total	YTD VARIANCE	
	Total	Budget	Total	Budget			Amount	%
Other Income	3.7%	\$49,160	3.7%	\$20,480	\$27,803	5.0%	\$7,323	35.8%
<b>Total Security Revenues</b>	<b>100.0%</b>	<b>1,337,810</b>	<b>100.0%</b>	<b>557,445</b>	<b>561,620</b>	<b>100.0%</b>	<b>4,175</b>	<b>0.7%</b>
<b>EXPENSES (excluding depreciation)</b>								
Wages	56.5%	677,600	54.9%	258,300	247,012	52.8%	(11,288)	(4.4%)
Employer Costs	32.5%	389,600	32.8%	154,200	168,981	36.1%	14,781	9.6%
Equipment Repairs	0.4%	4,900	0.4%	1,835	392	0.1%	(1,443)	(78.6%)
Vehicle Maintenance	0.8%	9,600	0.9%	4,000	1,688	0.4%	(2,312)	(57.8%)
Vehicle Fuel	1.4%	16,800	1.5%	7,000	6,576	1.4%	(424)	(6.1%)
Off Duty Sheriff Patrol	0.3%	4,000	0.6%	2,700	3,583	0.8%	883	32.7%
Other	8.1%	97,030	9.0%	42,260	39,706	8.5%	(2,554)	(6.0%)
<b>Operational Expenses</b>	<b>100.0%</b>	<b>1,199,530</b>	<b>100.0%</b>	<b>470,295</b>	<b>467,938</b>	<b>100.0%</b>	<b>(2,357)</b>	<b>(0.5%)</b>
<b>Security Income (Loss)</b>	<b>11.5%</b>	<b>138,280</b>	<b>18.5%</b>	<b>87,150</b>	<b>93,682</b>	<b>20.0%</b>	<b>6,532</b>	<b>7.5%</b>
<b>20.3% Net Admin Alloc</b>	<b>11.5%</b>	<b>138,322</b>	<b>11.5%</b>	<b>53,879</b>	<b>45,808</b>	<b>9.8%</b>	<b>(8,071)</b>	<b>(15.0%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>(42)</b>	<b>7.1%</b>	<b>33,271</b>	<b>47,874</b>	<b>10.2%</b>	<b>14,603</b>	<b>43.9%</b>
<b>SOLID WASTE REVENUES</b>								
Solid Waste Charges	100.0%	640,000	99.9%	266,670	267,308	99.9%	638	0.2%
Interest Earnings	0.0%	300	0.1%	150	230	0.1%	80	53.3%
<b>Total Solid Waste Revenues</b>	<b>100.0%</b>	<b>640,300</b>	<b>100.0%</b>	<b>266,820</b>	<b>267,538</b>	<b>100.0%</b>	<b>718</b>	<b>0.3%</b>
<b>EXPENSES (excluding depreciation)</b>								
CWRS Contract	91.7%	555,700	94.1%	231,540	232,781	94.1%	1,241	0.5%
Sacramento County Admin Fee	5.7%	34,800	5.9%	14,500	14,577	5.9%	77	0.5%
HHW Event	2.6%	15,710	0.0%			0.0%		0.0%
<b>Operational Expenses</b>	<b>100.0%</b>	<b>606,210</b>	<b>100.0%</b>	<b>246,040</b>	<b>247,358</b>	<b>100.0%</b>	<b>1,318</b>	<b>0.5%</b>
<b>Solid Waste Income (Loss)</b>	<b>5.6%</b>	<b>34,090</b>	<b>8.4%</b>	<b>20,780</b>	<b>20,180</b>	<b>8.2%</b>	<b>(600)</b>	<b>(2.9%)</b>
<b>5.0% Net Admin Alloc</b>	<b>5.6%</b>	<b>34,069</b>	<b>5.4%</b>	<b>13,271</b>	<b>11,440</b>	<b>4.6%</b>	<b>(1,831)</b>	<b>(13.8%)</b>
<b>Total Net Income (Loss)</b>	<b>0.0%</b>	<b>21</b>	<b>3.1%</b>	<b>7,509</b>	<b>8,740</b>	<b>3.5%</b>	<b>1,231</b>	<b>16.4%</b>
<b>OVERALL NET INCOME(LOSS)</b>	<b>100.0%</b>	<b>(110)</b>	<b>100.0%</b>	<b>224,930</b>	<b>441,516</b>	<b>100.0%</b>	<b>216,586</b>	<b>96.3%</b>

PREPARED BY: Eric Thompson, Controller

REVIEWED BY:  , District Treasurer

# RANCHO MURIETA COMMUNITY SERVICES DISTRICT

## INVESTMENT REPORT

*CASH BALANCE AS OF NOVEMBER 30, 2016*

INSTITUTION	YIELD		BALANCE
<b>CSD FUNDS</b>			
<b>EL DORADO SAVINGS BANK</b>			
SAVINGS	0.03%	\$	778,193.84
CHECKING	0.02%	\$	40,580.55
PAYROLL	0.02%	\$	40,791.98
<b>BANNER BANK</b>			
EFT	0.00%	\$	20,179.41
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>			
UNRESTRICTED	0.61%	\$	1,217,434.87
RESTRICTED RESERVES	0.61%	\$	4,222,034.01
<b>CALIFORNIA ASSET MGMT (CAMP)</b>			
OPERATION ACCOUNT	0.59%	\$	601,921.76
<b>UNION BANK</b>			
PARS GASB45 TRUST (balance as of 9/30/16)		\$	1,161,491.02
<b>TOTAL</b>			<b>\$ 8,082,627.44</b>
<b>BOND FUNDS</b>			
<b>COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)</b>			
<b>BANK OF AMERICA</b>			
CHECKING	0.00%		<b>CLOSED</b>
<b>CALIFORNIA ASSET MGMT (CAMP)</b>			
SPECIAL TAX	0.59%		<b>CLOSED</b>
<b>COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CFD)</b>			
<b>BANK OF AMERICA</b>			
CHECKING	0.00%	\$	523,519.85
<b>WILMINGTON TRUST (balance as of 3/31/16)</b>			
BOND RESERVE FUND	0.02%	\$	391,619.30
BOND ADMIN EXPENSE	0.02%	\$	40,423.14
BOND SPECIAL TAX FUND	0.02%	\$	107,675.89
BOND ACQ & CONSTRUCTION	0.02%	\$	971.83
BOND REDEMPTION ACCOUNT	0.02%	\$	-
BOND COI	0.02%	\$	-
BOND SURPLUS	0.02%	\$	-
			<b>\$ 1,064,210.01</b>
<b>TOTAL ALL FUNDS</b>			<b>\$ 9,146,837.45</b>

*The investments comply with the CSD adopted investment policy.*

PREPARED BY: *Eric Thompson*, Controller

REVIEWED BY: *Dallen J Thiel*, District Treasurer

## MEMORANDUM

Date: December 21, 2016  
To: Board of Directors  
From: Paul Wagner, Security Chief  
Subject: Security Report for the Month of November 2016

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### OPERATIONS

New Gate Officer Jeff Werblun started training in the gates. He is a former Sacramento County Sheriff's Deputy (SSD) and is an excellent addition to the District.

### INCIDENTS OF NOTE

November 8<sup>th</sup>, a Hispanic male entered the North Gate on foot and walked into the Rancho Murieta Association (RMA) building. He was rambling incoherently and appeared to be lost. Patrol Officer Nunez and I made contact with him on the golf course in front of "The Retreats". He was yelling and running around the greens and appeared to have a psychological disorder believing that people were trying to get him. The medics from Sacramento Metro Fire Station 59 arrived and assisted. He was taken to the hospital for a 72 hour mental health hold. According to paperwork found on the suspect, he had been released from the Sacramento County jail earlier that morning.

November 21<sup>st</sup>, a vehicle ran off the road at Murieta Parkway and Domingo Drive. The driver possibly had a stroke while driving and ran off the road, through a set of trees, and into a drainage ditch/pipe area. Driver was transported to the hospital and the California Highway Patrol (CHP) took a report.

### RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING

Meeting was scheduled for Monday, December 5, 2016. No grievances were brought to the committee.

### SECURITY DATA UPDATE

All of the Security Data request forms have been received and input into the system (ABDI). We are finishing up with shutting off the bar codes for those who did not turn them in (attempting to contact residences from forms we did not receive for double check). In addition, we are reviewing bar codes that have not been actively used for two years or more, and which were not deactivated through this update process, to make sure there are no outstanding bar codes attached to vehicles that are no longer being used. The entire process of double checking the bar codes should be completed by the end of the month.

### INCIDENT MAP AND EMERGENCY EXIT MAP

I have been looking into mapping ideas and availability, as well as reporting systems (separate program). Paul Siebensohn and I have met with a programmer that reviewed a program with us that would suit both our needs. The challenge is updating the map daily/weekly and the ability to make the map usable and time efficient. The plan is to add an incident map and emergency exit map to the District's website. The Incident map will show locations of incidents of note, such as thefts and vandalism. This will help track any patterns of incidents to help direct patrol resources to those areas. The emergency exit map will show additional exit

locations, such as locked gates, that could allow vehicle traffic out of the North and South residential areas in the event of an emergency.



**RMA Rule Violations  
Admonishments/Complaints  
November 2016**

Open Garage Door	5
Loose/Off Leash Dogs	18
Barking Dogs	7
Parking	2
Unlicensed Driver	3
Speeding	4
Stop Sign	4
Back Area w/o Resident	0
Overloaded Golf Cart	2
Unsafe Driving	5
Park Hours	4
Motorcycle	2
Construction Hours	0
Fishing License	0
Gate Entrance	23
Fireworks	0
<b>Total</b>	<b>79</b>



**RMA Rule Violations  
Citations  
November 2016**

Stop Sign	2
Driveway Parking	0
Overnight Street Parking	17
Speeding	3
Unlicensed Driver	0
Park Hours	3
Unauthorized Vehicle	0
Total	25

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.

# MEMORANDUM

Date: December 9, 2016  
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.

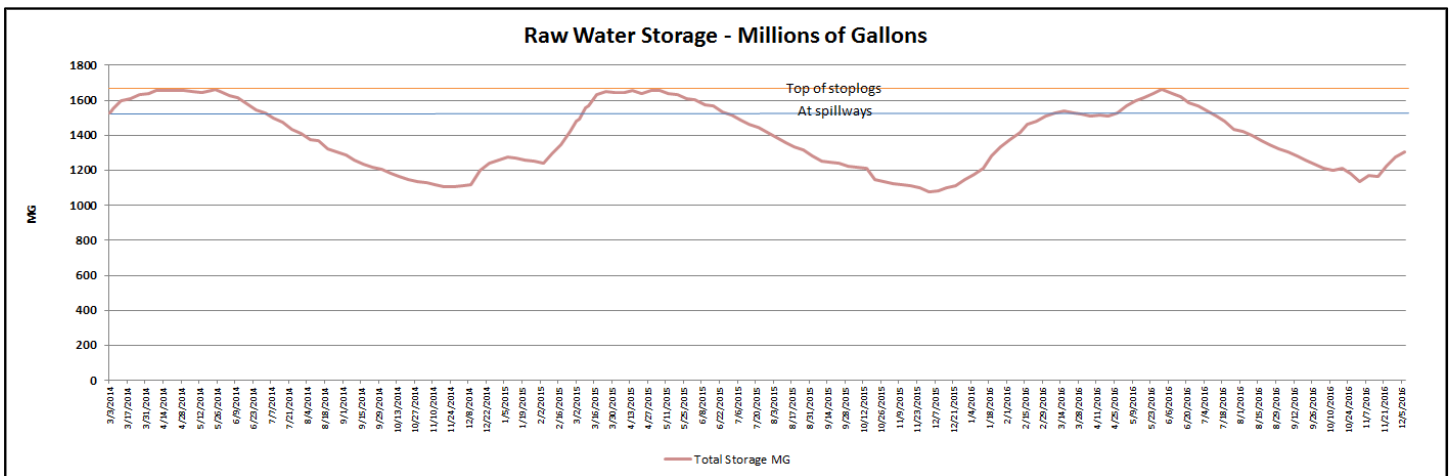
## WATER

Plant 1 (the ultrafiltration plant) is set to operate at 1.15 million gallons per day (mgd), averaging 0.762 mgd of production to provide the District's water needs. Plant 2 is off. Water treatment production flow for November was 22,886,000 gallons (70.24 acre-feet).

## WATER SOURCE OF SUPPLY

As continuing early rains keep the Cosumnes River flowing, we have been able to continue to fill the Calero Reservoir for the majority of November, only having to stop pumping for three (3) days due to low flows. On December 7, 2016, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured approximately 1,303.93 MG (4,001.9 AF) of which 1,140 MG (3,498.8 AF) is usable due to dead storage. For Calero and Chesbro Reservoirs alone, storage measured 1,052.63 MG (3,230.62 AF), or 1,003.3 MG (2,777.6 AF) usable. In November the measured rainfall totaled 2.57" and evaporation measured 1.74".

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



## CONSERVATION

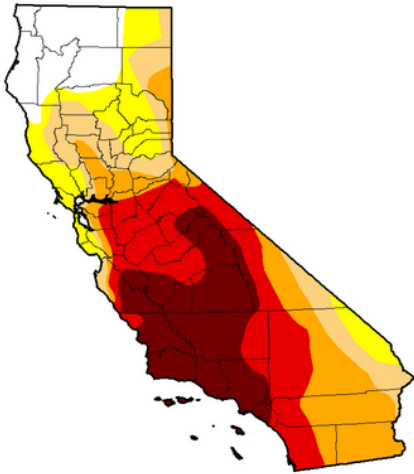
For November, water consumption was approximately 44% less than in 2013. The November residential gallons per capita per day usage was at 105.

The US Drought Monitor graphic for California didn't change since last month which continues to show that the drought in our region persists and we remain in a severe drought. The US Drought Monitor shows that the drought remains our area improves.

# U.S. Drought Monitor California

**November 1, 2016**  
(Released Thursday November 3, 2016)  
Valid 8 a.m. EDT

Statistics type: **Traditional Percent Area** Export table: [PNG](#) [CSV](#) [XLS](#)



Week	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current <a href="#">2016-11-01</a>	12.03	87.97	75.26	61.38	42.80	21.04
Last Week <a href="#">2016-10-25</a>	8.96	91.04	81.12	61.80	42.80	21.04
3 Months Ago <a href="#">2016-08-02</a>	0.00	100.00	83.59	59.02	42.80	21.04
Start of Calendar Year <a href="#">2015-12-29</a>	0.00	100.00	97.33	87.55	69.07	44.84
Start of Water Year <a href="#">2016-09-27</a>	0.00	100.00	83.59	62.27	42.80	21.04
One Year Ago <a href="#">2015-11-03</a>	0.14	99.86	97.33	92.27	70.55	44.84

Estimated Population in Drought Areas: **33,212,491** [View More Statistics](#)

**Intensity:**  
■ D0 (Abnormally Dry)    ■ D2 (Severe Drought)    ■ D4 (Exceptional Drought)  
■ D1 (Moderate Drought)    ■ D3 (Extreme Drought)

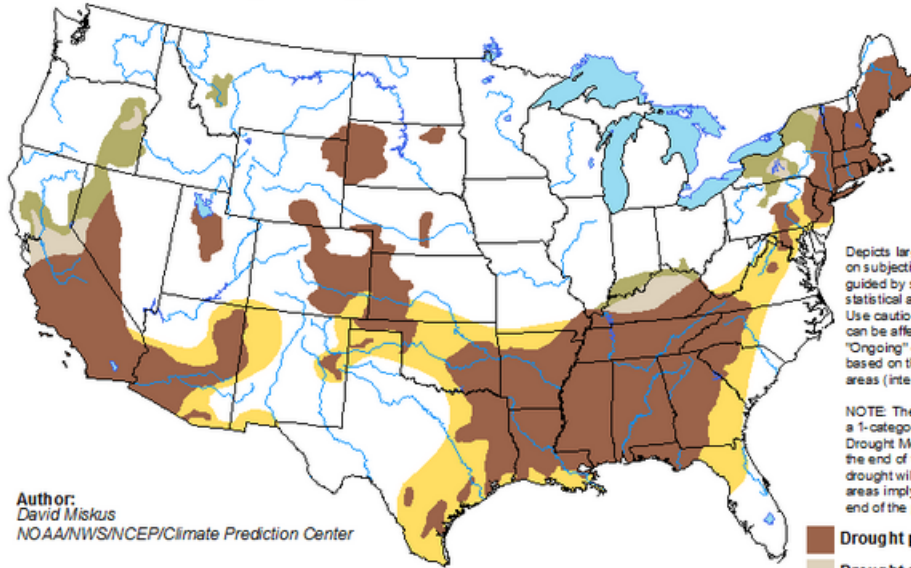
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying [text summary](#) for forecast statements.

**Author(s):**  
Deborah Bathke, National Drought Mitigation Center

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# U.S. Seasonal Drought Outlook Valid for November 17 - February 28, 2017 Drought Tendency During the Valid Period Released November 17, 2016



Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely

**Author:**  
David Miskus  
NOAA/NWS/NCEP/Climate Prediction Center



<http://go.usa.gov/3eZ73>

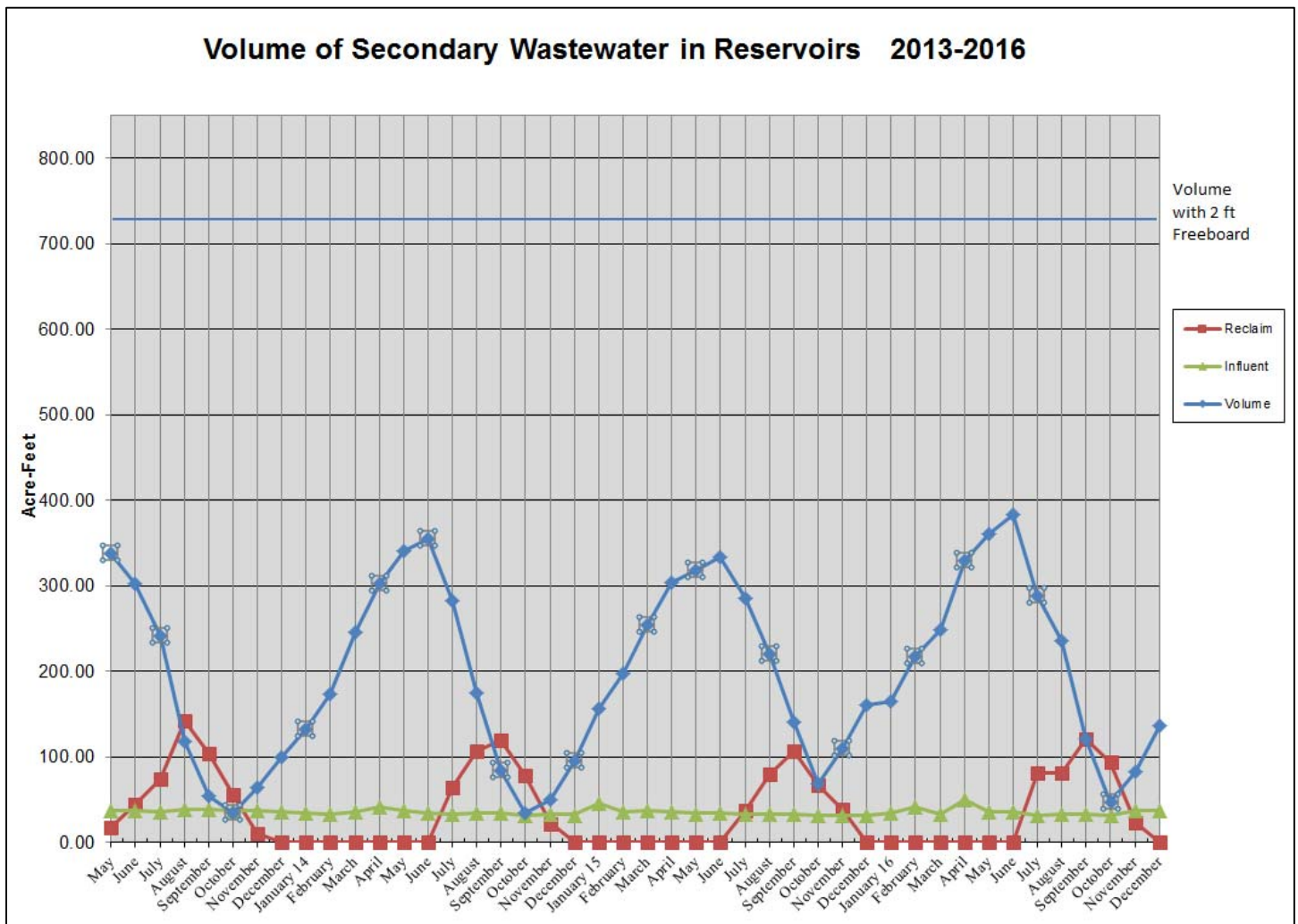


## WASTEWATER COLLECTION, TREATMENT, AND RECLAMATION

Influent wastewater flow averaged 0.408 million gallons a day, for a total of 12.235 MG, (37.55 AF). This is approximately 159 gpd per sewer connection. Secondary wastewater storage measured 26.7 MG (82 AF) on November 2, 2016, of which 21.8 MG (67 acre-feet) is usable volume.

No recycled water was delivered to Rancho Murieta Country Club (RMCC) as the reclamation plant is off for the winter season and RMCC needs to draw their storage ponds down to be able to accommodate winter rains. At the end of October 2016, we had sent the RMCC 120.1 MG (368.6 AF) of recycled water for irrigation in 2016.

The graph below shows where our secondary storage is compared to previous years, currently at 136 acre-feet, as measured on the first Wednesday of each month.



## SEWER COLLECTION

District staff found evidence of what appeared to be a sewer backup at a manhole that had then cleared itself when they inspected it in Murieta South. Staff cleaned the sewer lines feeding the manhole as a precautionary measure to make sure they were free flowing and completed necessary reporting. The District received one (1) call for sewer service that ended up being a homeowner issue which staff assisted with.

Maintenance in the collection system was the main focus of the Utility staff, which resulted in their cleaning 22,190 feet of sewer lines. We contracted to have the larger sewer lines and known problem areas cleaned this past month, cleaning 16,201 feet of line, for a grand total of 38,391 feet cleaned in November.

### **DRAINAGE**

Staff inspected the storm systems before, during, and after rain events. No issues of note were discovered and only minor clearing of debris needed in some areas after heavier rains.

### **WATER METERING AND UTILITY STAFF WORK**

This past November, Utility staff replaced eighteen (18)  $\frac{3}{4}$ " water meters and eight (8) MXU radio read units. One (1) new meter was installed as a new service. Three (3) water service line replacements took place due to water leaks and one (1) additional line was replaced along with them for proactive maintenance replacement. Also completed were twenty (20) Utility Star work orders and nine (9) underground service alerts (USAs). Staff also replaced a cracked electrical pull box (photo below) and installed frost protection covers over water control valves at the water treatment plant.

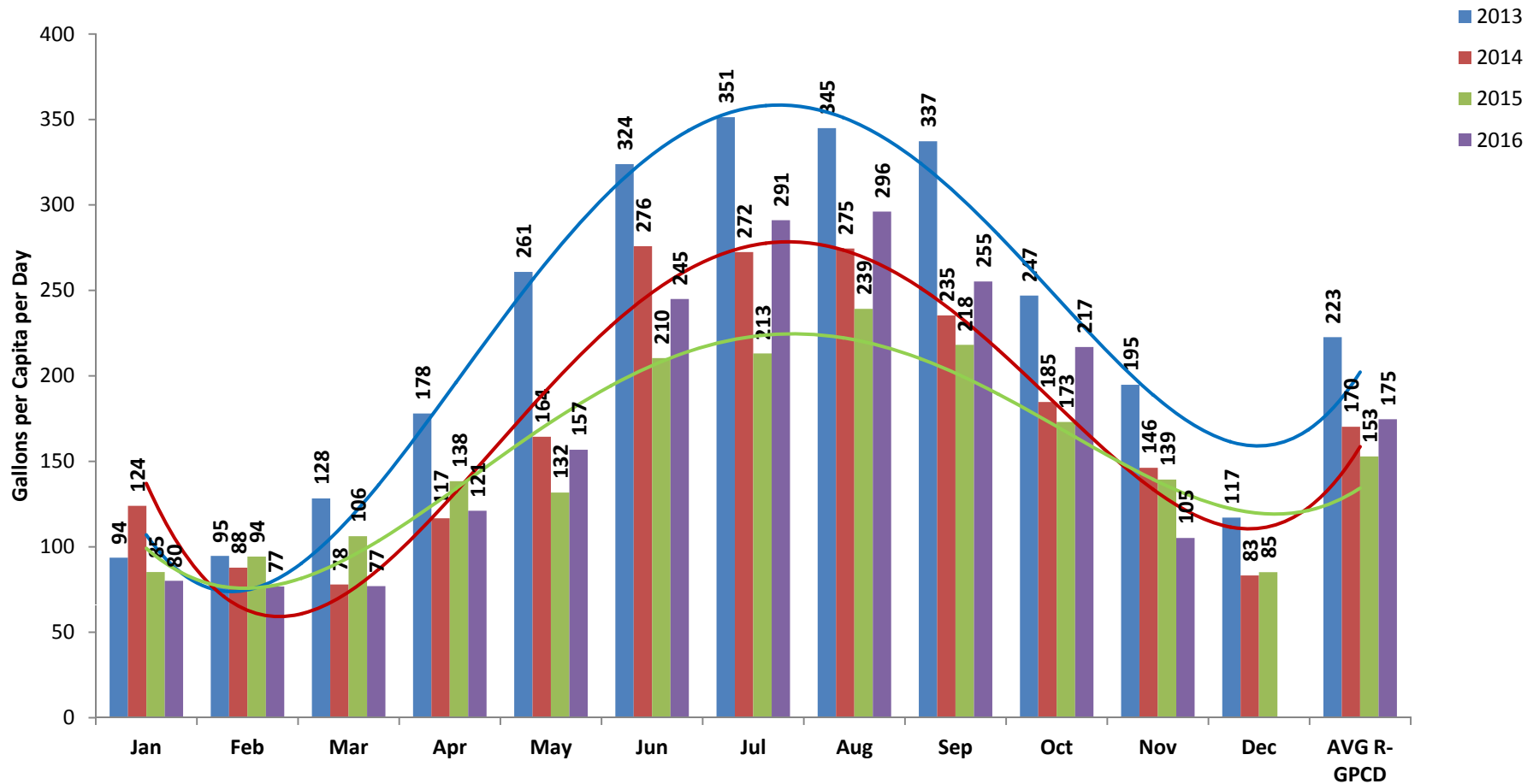


# Rancho Murieta - Residential Gallons per Capita per Day

Comparison of 2013, 2014, 2015 and 2016

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%

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

## MEMORANDUM

Date: December 14, 2016  
To: Board of Directors  
From: Eric Thompson, Controller  
Subject: Receive and File the 2015-2016 Annual Rancho Murieta Community Services District Audit Report and the Community Facilities District #2014-1 Audit Report

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### RECOMMENDED ACTION

No action - receive and file.

### BACKGROUND

Enclosed is the 2015-2016 Annual Rancho Murieta Community Services District Audit Report and the Community Facilities District #2014-1 Audit Report. Mr. Bain will attend the December 21, 2016 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, 2016**

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

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# LARRY BAIN, CPA

## AN ACCOUNTING CORPORATION

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2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894  
[lpbain@sbcglobal.net](mailto:lpbain@sbcglobal.net)

### **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, 2016, 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, 2016, 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 3–8 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, 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 2, 2016 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 33-45, 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 2, 2016



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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, 2016. 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 \$34,953,688 (net position). Of this amount, \$4,075,150 (unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors.
- The District's total net position increased by \$740,252 during the 2015/2016 fiscal year.

**Overview of the Basic Financial Statements**

This annual financial report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Notes to Basic Financial Statements, and 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, 2016**

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 **9-17** 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 **18-32** 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 \$34,953,688 (net position) at the close of the most recent fiscal year.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2016**

**Condensed Financial Information**  
**Rancho Murieta Community Services District Net Position**

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 9,259,169	\$ 10,493,353
Capital Assets - net of accumulated depreciation	30,878,538	29,562,287
<b>Total Assets</b>	<b>40,137,707</b>	<b>40,055,640</b>
Deferred Outflow of Resources	266,017	205,863
<b><u>Liabilities</u></b>		
Current Liabilities	2,713,203	3,200,365
Long-term Liabilities	2,291,152	2,197,387
<b>Total Liabilities</b>	<b>5,004,355</b>	<b>5,397,752</b>
Deferred Inflow of Resources	445,681	650,315
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	30,878,538	29,562,287
Unrestricted Net Position	4,075,150	4,651,149
<b>Total Net Position</b>	<b>\$ 34,953,688</b>	<b>\$ 34,213,436</b>

- The District's total net position increased by \$740,252 during the current fiscal year. Unrestricted net position decreased \$575,999 while capital assets, net of accumulated depreciation, increased \$1,316,251. The increase in capital assets is primarily due to 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 \$1,225,574.
- Designated cash and investments, which are capital reserves designated for capital improvements and replacements increased \$442,531. In addition to recurring monthly reserve contributions, on May 18, 2016 the District Board of Directors approved an additional \$200,000 of excess working capital to be transferred to capital reserves.
- Other liabilities decreased due to inter-fund borrowing repayments on (a) the WTP#1 Expansion & Upgrade project and (b) the North Security Gate project. During the year, \$195,005 and \$23,256 (including interest) had been repaid on these borrowings, respectively.
- By far the largest portion of the District's net position (88.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) (Net Capital Assets \$30,878,538 / Total Net Position \$34,953,688 = 88.3%). 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, 2016**

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

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>Revenues</b>		
Operating revenues	\$ 5,393,741	\$ 5,170,340
Nonoperating revenues	1,302,001	1,179,303
CFD #1 Reimbursements	878,689	6,765,103
<b>Total Revenues</b>	<b>7,574,431</b>	<b>13,114,746</b>
<b>Operating Expenses</b>		
Water	1,459,825	1,199,502
Sewer	574,638	610,134
Drainage	145,616	136,634
Security	984,933	941,573
Solid waste	609,600	587,796
General and administration	1,628,535	1,699,285
Depreciation	1,225,574	1,122,339
<b>Total Operating Expenses</b>	<b>6,628,721</b>	<b>6,297,263</b>
<b>Change in Net Position</b>	<b>945,710</b>	<b>6,817,483</b>
Net Position (restated), Beginning of Fiscal Year	34,213,435	27,422,921
Prior Period Adjustment	(205,457)	(26,968)
<b>Net Position, End of Fiscal Year</b>	<b>\$ 34,953,688</b>	<b>\$ 34,213,436</b>

Key elements of the enterprise activities are as follows:

- Total operating revenues increased 4.3% year-over-year. Water operating revenues increased by \$90,514 or 5.0% due to a 5.9% increase in Water service rates from the 2014/2015 fiscal year. Sewer operating revenues increased by \$43,781 or 3.4% and had an average increase of 2.7% in rates versus the prior year; Security operating revenues increased \$82,279 or 6.7% due to the approved rate increase; Drainage operating revenues increased \$4,039 or 2.2% due to the approved rate increase, and Solid Waste operating revenues increased \$3,968 or 0.6% due to the approved rate increase.
- Nonoperating revenues increased \$122,698 or 10.4% due to (1) the increase in debt reserve fees collected for the WTP#1 Expansion and Upgrade Project, (2) additional capital reserve collection for Security and (3) a 2.8% increase in property tax revenues received through Sacramento County.
- The Water Department collects, treats, and distributes potable drinking water to the Rancho Murieta community. Water operating expenses (excluding depreciation) increased \$260,323 or 21.7%. This increase is related to increased wages and employer costs during the WTP#1 Expansion and Upgrade Project as well as the temporary filtration that was necessary while the plant was under construction.
- The Sewer Department collects, treats, and disposes of Rancho Murieta community waste water. Sewer operating expenses (excluding depreciation) decreased \$35,496 or (5.8%). The bulk of this decrease is due to reduced expenditures for the Treatment and Disposal of waste water, which is directly related to the reduction in Water consumption (i.e., less water used results in less waste water supplied to the waste water treatment plant), however the Sewer Department also saw savings in consulting and allocated clerical expenditures.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2016**

- The Drainage Department provides and maintains the drainage system for Rancho Murieta. Drainage operating expenses increased \$8,982 or 6.6%. This increase is related to increased wages and employer costs.
- Solid Waste services are provided by contract through California Waste Recovery Services. Operating expenses for Solid Waste increased \$21,804 or 3.7%. This increase is related to the combination of the contract rate increase and the Household Hazardous Waste event that was held in May 2016.
- The Security department provides gate and patrol services. Operating expenses for Gate services increased \$19,323 or 3.9%. This increase is primarily related to increased wages and employer costs. Operating expenses for Patrol services increased \$24,037 or 5.3%. This increase is also related to increased wages and employer costs and stems from Patrol services operating most of the 2014/2015 fiscal year without a patrol sergeant.
- 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 \$86,190 or 7.9%. This increase is predominately due to increased wages and employer costs. During fiscal year 2014/2015 roughly \$71,000 of prior period payroll expenses were allocated to the WTP#1 Expansion and Upgrade Project. No such allocation was made during the current fiscal year. The increases in labor-related expenditures were partially offset by reductions in maintenance and repairs, legal services, and travel/meeting expenses.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2016**

**Capital Assets**

	July 1, 2015	Additions	Adjustments/ Deletions	June 30, 2016
<b>Depreciable Capital Assets</b>				
Water Transmission	\$ 7,333,007	\$ -	\$ (3)	\$ 7,333,004
Water Treatment	9,086,032	13,593,559	(10,448)	22,669,143
Studies	695,885	48,114	-	743,999
Collection Facilities	4,962,622	11,571	(524)	4,973,669
Sewer treatment and disposal	16,048,111	-	(2)	16,048,109
Lake Chesbro Protection	270,020	-	-	270,020
Waste Discharge	549,152	-	-	549,152
Buildings and improvements	819,928	2,104	-	822,032
Vehicles & Equipment	1,824,348	144,654	(207,537)	1,761,465
<b>Total Depreciable Capital Assets</b>	<b>41,589,105</b>	<b>13,800,002</b>	<b>(218,514)</b>	<b>55,170,593</b>
Less - Accumulated Depreciation	(24,390,690)	(1,225,573)	217,481	(25,398,782)
<b>Net Depreciable Capital Assets</b>	<b>17,198,415</b>	<b>12,574,429</b>	<b>(1,033)</b>	<b>29,771,811</b>
<b>Non-Depreciable Capital Assets</b>				
Construction in Progress	11,772,182	43,435	(11,300,580)	515,037
Land	591,690	-	-	591,690
<b>Total Non-Depreciable Capital Assets</b>	<b>12,363,872</b>	<b>43,435</b>	<b>(11,300,580)</b>	<b>1,106,727</b>
<b>Net Capital Assets</b>	<b>\$ 29,562,287</b>	<b>\$ 12,617,864</b>	<b>\$ (11,301,613)</b>	<b>\$ 30,878,538</b>

**Capital Assets.** The District's investment in capital assets as of June 30, 2016 amounted to \$30,878,538 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, and equipment. The total increase in the District's investment in capital assets for the current fiscal year was 4.5%.

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

- Water Treatment Plant #1 Expansion and Upgrade Project Completed
- Recycled Water Program Implementation Plan & Pre-Design
- Dump Truck and Backhoe purchased for Water/Sewer/Drainage
- Solar Power Projects at WTP & WWTP (Construction-in-Progress)
- 2016 Jeep Patriot purchased for Security Patrol Vehicle

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2016**

**Economic Factors and Next Year's Budget and Rates**

The Board of Directors adopted the District's 2016/2017 annual budget on June 15, 2016 which provides for the District's operating and capital costs for the 2016/2017 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. During the first four months of the 2016/2017 fiscal year, residential water consumption was up 11.6% versus the prior year.

Development will continue to be a major focus for the District in the coming year(s). Rancho Murieta Properties, LLC 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 are planned on roughly 350 net developable acres. These proposed development plans continue to be revised and modified. The developer estimates that final plans will be submitted to Sacramento County planning in the first half of 2017. Construction on the Retreats West, North, and East subdivisions and on the Murieta Inn began during the 2015/2016 fiscal year and will continue throughout 2016/2017 and into future fiscal years.

In September of 2016 the District officially closed out the Community Facilities District#1 (CFD) which was formed in March of 1991 for the purpose of acquiring and constructing Water and Sewer facilities within the Rancho Murieta Community. This closure resulted in an additional \$13,448 in funding for both Water and Sewer capital replacement reserves.

CFD 2014-1 was formed at the request of the developers of the Murieta Inn 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. CFD 2014-1 will assess Mello-Roos taxes on the subject properties beginning in 2017 for repayment to the bond investors.

The purchase of a new general-use Truck (quarter ton or smaller) for the Sewer department was the only new capital project/acquisition that was added to this year's 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; and
- 4) Granlees Forebay Repairs

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 2016/2017, the District increased rates by approximately 1.2% for Water services. Sewer service rates decreased by approximately 1.9% and there was no increase (or decrease) for Drainage, Security, or Solid Waste. Overall, the average customer's monthly bill is projected to be \$0.08 less under this year's rate structure.

**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, 2016**

**(With Comparative Totals for June 30, 2015)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 770,338	\$ 923,985	\$ 68,169
Accounts receivable	328,822	204,931	25,712
Grants receivable	-		
Interest receivable	1,210	476	48
Prepaid Expenses	49,539	7,836	804
Deposits	19,374	10,221	3,550
Due from other funds		1,277,709	86,039
Due from developers			
Total Current Assets	<u>1,169,283</u>	<u>2,425,157</u>	<u>184,322</u>
Capital Assets - net of accumulated depreciation	<u>20,181,013</u>	<u>10,251,595</u>	
Other Assets:			
Cash and investments -designated	2,134,437	1,970,737	322,063
Interest receivable - designated	2,915	1,952	411
Total Other Assets	<u>2,137,352</u>	<u>1,972,689</u>	<u>322,474</u>
Total Assets	<u>23,487,648</u>	<u>14,649,441</u>	<u>506,796</u>
<u>Deferred Outflows of Resources</u>			
Deferred outflows-pensions	86,987	64,110	11,971
Total Deferred Outflows of Resources	<u>86,987</u>	<u>64,110</u>	<u>11,971</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 23,574,635</u>	<u>\$ 14,713,551</u>	<u>\$ 518,767</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	\$ 654,081	\$ 101,238	\$ 8,682
Accrued payroll	46,868	24,103	8,453
Post retirement medical liability	36,918	26,195	4,869
Deposits	209,157	45	41
Due to other funds	1,277,709		
Due to others	1,438		
Capital lease			
Total Current Liabilities	<u>2,226,171</u>	<u>151,581</u>	<u>22,045</u>
Noncurrent Liabilities:			
Capital lease			
Net pension liability	714,727	526,756	98,357
Compensated absences	34,471	24,268	4,785
Total Noncurrent Liabilities	<u>749,198</u>	<u>551,024</u>	<u>103,142</u>
Total Liabilities	<u>2,975,369</u>	<u>702,605</u>	<u>125,187</u>
<u>Deferred Inflows of Resources</u>			
Deferred inflows-advances	8,677	6,625	1,361
Deferred inflows-pensions	138,444	102,033	19,052
Total Deferred Inflows of Resources	<u>147,121</u>	<u>108,658</u>	<u>20,413</u>
<u>Net Position</u>			
Net investment in capital assets	20,181,013	10,251,595	
Net Position:			
Unrestricted	271,132	3,650,693	373,167
Total Net Position	<u>20,452,145</u>	<u>13,902,288</u>	<u>373,167</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 23,574,635</u>	<u>\$ 14,713,551</u>	<u>\$ 518,767</u>

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



		Totals	
Solid Waste Fund	Security Fund	2016	2015
\$ 250,416	\$ 409,430	\$ 2,422,339	\$ 2,849,908
64,205	175,581	799,250	1,860,487
		-	-
207	413	2,354	1,213
659	5,773	64,611	63,975
682	20,078	53,905	53,000
		1,363,748	1,527,018
		-	29,809
<u>316,169</u>	<u>611,276</u>	<u>4,706,207</u>	<u>6,385,410</u>
	<u>445,930</u>	<u>30,878,538</u>	<u>29,562,287</u>
3,181	117,163	4,547,581	4,105,050
	103	5,381	2,893
<u>3,181</u>	<u>117,266</u>	<u>4,552,962</u>	<u>4,107,943</u>
<u>319,350</u>	<u>1,174,472</u>	<u>40,137,707</u>	<u>40,055,640</u>
3,192	99,757	266,017	205,863
<u>3,192</u>	<u>99,757</u>	<u>266,017</u>	<u>205,863</u>
<u>\$ 322,542</u>	<u>\$ 1,274,229</u>	<u>\$ 40,403,724</u>	<u>\$ 40,261,503</u>
\$ 119,658	\$ 22,853	\$ 906,512	\$ 1,280,558
1,499	41,867	122,790	106,602
1,361	37,427	106,770	74,690
148	213	209,604	209,438
	86,039	1,363,748	1,527,018
		1,438	-
	2,341	2,341	2,059
<u>122,666</u>	<u>190,740</u>	<u>2,713,203</u>	<u>3,200,365</u>
	7,908	7,908	-
26,228	819,641	2,185,709	2,114,104
1,486	32,525	97,535	83,283
<u>27,714</u>	<u>860,074</u>	<u>2,291,152</u>	<u>2,197,387</u>
<u>150,380</u>	<u>1,050,814</u>	<u>5,004,355</u>	<u>5,397,752</u>
1,115	4,528	22,306	232,160
5,081	158,765	423,375	418,155
<u>6,196</u>	<u>163,293</u>	<u>445,681</u>	<u>650,315</u>
	445,930	30,878,538	29,562,287
165,966	(385,808)	4,075,150	4,651,149
<u>165,966</u>	<u>60,122</u>	<u>34,953,688</u>	<u>34,213,436</u>
<u>\$ 322,542</u>	<u>\$ 1,274,229</u>	<u>\$ 40,403,724</u>	<u>\$ 40,261,503</u>

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, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Operating Revenues:			
Service charges	\$ 1,835,215	\$ 1,326,149	\$ -
Special taxes			187,495
Other charges	64,260	22,476	683
Total Operating Revenues	<u>1,899,475</u>	<u>1,348,625</u>	<u>188,178</u>
Operating Expenses:			
Source of supply	144,689		
Treatment	861,654		
Transmission and distribution	453,482		
Sewer collection		173,090	
Sewer treatment and disposal		401,547	
Drainage			145,616
Gate services			
Patrol services			
Solid waste			
General and administrative	690,001	500,877	63,693
Depreciation	572,957	611,008	
Total Operating Expenses	<u>2,722,783</u>	<u>1,686,522</u>	<u>209,309</u>
Operating Income (Loss)	<u>(823,307)</u>	<u>(337,897)</u>	<u>(21,131)</u>
Non-operating Revenues (Expenses):			
Taxes	201,094	153,535	31,534
Capital reserve fees	211,619	208,416	
Debt reserve fee	187,245		
Interest revenue	15,722	13,479	1,877
Rent			
Water augmentation	20,482		
Gain (Loss) on disposal of capital assets	(7)	2,898	
Refunds and reimbursements			
Interest expense	(5,820)		
Grant revenue			
Miscellaneous	34,552	6,955	1,479
Total Non-operating Revenues (Expenses)	<u>664,887</u>	<u>385,283</u>	<u>34,890</u>
Special Item			
CFD Project Reimbursement	<u>878,689</u>		
Change in Net Position	720,269	47,386	13,759
Net Position, Beginning of Fiscal Year	19,800,255	13,901,645	368,818
Prior Period Adjustments	<u>(68,379)</u>	<u>(46,743)</u>	<u>(9,410)</u>
Net Position, End of Fiscal Year	<u>\$ 20,452,145</u>	<u>\$ 13,902,288</u>	<u>\$ 373,167</u>

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

		Totals	
Solid Waste Fund	Security Fund	2016	2015
\$ 638,522	\$ -	\$ 3,799,886	\$ 3,689,872
	1,258,145	1,445,640	1,367,508
	60,796	148,215	112,960
<u>638,522</u>	<u>1,318,941</u>	<u>5,393,741</u>	<u>5,170,340</u>
		144,689	205,776
		861,654	468,027
		453,482	525,699
		173,090	177,915
		401,547	432,219
		145,616	136,634
	511,338	511,338	492,015
	473,595	473,595	449,558
609,600		609,600	587,796
56,492	317,473	1,628,536	1,699,284
	41,609	1,225,574	1,122,339
<u>666,092</u>	<u>1,344,015</u>	<u>6,628,721</u>	<u>6,297,262</u>
<u>(27,571)</u>	<u>(25,074)</u>	<u>(1,234,980)</u>	<u>(1,126,922)</u>
25,848	124,297	536,308	566,301
	58,884	478,919	467,232
		187,245	109,143
767	2,128	33,973	18,880
		20,482	21,500
		2,891	(24,576)
	(474)	(6,294)	(4,187)
	5,491	48,477	25,010
<u>26,615</u>	<u>190,326</u>	<u>1,302,001</u>	<u>1,179,303</u>
		878,689	6,765,103
(956)	165,252	945,710	6,817,483
169,431	(26,714)	34,213,435	27,422,921
<u>(2,509)</u>	<u>(78,416)</u>	<u>(205,457)</u>	<u>(26,968)</u>
<u>\$ 165,966</u>	<u>\$ 60,122</u>	<u>\$ 34,953,688</u>	<u>\$ 34,213,436</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, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Cash Flows from Operating Activities:			
Receipts from customers	\$ 2,826,593	\$ 1,362,182	\$ 191,170
Payments to employees	(1,093,862)	(572,586)	(160,094)
Payments to suppliers	(1,560,621)	(497,770)	(51,715)
	<u>172,110</u>	<u>291,826</u>	<u>(20,639)</u>
Net Cash Provided By (Used In) Operating Activities			
Cash Flows from Non-capital Financing Activities:			
Taxes received	201,094	153,535	31,534
Grants			
Debt reserve fee	187,245	-	
Miscellaneous	55,034	10,608	1,479
	<u>443,373</u>	<u>164,143</u>	<u>33,013</u>
Net Cash Provided By (Used In) Non-capital Financing Activities			
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(2,422,093)	(95,979)	
Interfund lending	(140,434)	140,434	22,836
Cash received from sale of assets		2,898	
CFD project reimbursement	878,689		
Debt activity	(5,820)		
Capital reserve fees	211,619	208,416	
	<u>(1,478,039)</u>	<u>255,769</u>	<u>22,836</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities			
Cash Flows from Investing Activities:			
Interest received	14,260	11,879	1,681
	<u>14,260</u>	<u>11,879</u>	<u>1,681</u>
Net Cash Provided by Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	(848,296)	723,617	36,891
Cash and Cash Equivalents, July 1	<u>3,753,071</u>	<u>2,171,106</u>	<u>353,341</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,904,775</u>	<u>\$ 2,894,722</u>	<u>\$ 390,232</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Cash and investments	\$ 770,338	\$ 923,985	\$ 68,169
Restricted cash and investments	2,134,437	1,970,737	322,063
	<u>\$ 2,904,775</u>	<u>\$ 2,894,722</u>	<u>\$ 390,232</u>
Total Cash and Cash Equivalents			

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

Solid Waste Fund	Security Fund	Totals	
		2016	2015
\$ 635,382	\$ 1,312,772	\$ 6,328,099	\$ 4,047,936
(38,672)	(1,182,989)	(3,048,204)	(2,757,800)
(610,939)	(190,968)	(2,912,012)	(1,621,461)
(14,229)	(61,185)	367,883	(331,325)
25,848	124,297	536,308	566,301
		-	52,085
		187,245	109,143
	5,491	72,612	19,542
25,848	129,788	796,165	747,071
	(23,762)	(2,541,834)	(10,782,745)
	(22,836)	-	(108,875)
		2,898	-
		878,689	6,765,103
	7,716	1,896	(6,996)
	58,884	478,919	467,232
	20,002	(1,179,432)	(3,666,281)
671	1,855	30,346	17,914
671	1,855	30,346	17,914
12,290	90,460	14,962	(3,232,622)
241,307	436,133	6,954,958	10,187,580
<u>\$ 253,597</u>	<u>\$ 526,593</u>	<u>\$ 6,969,919</u>	<u>\$ 6,954,958</u>
\$ 250,416	\$ 409,430	\$ 2,422,339	\$ 2,849,908
3,181	117,163	4,547,581	4,105,050
<u>\$ 253,597</u>	<u>\$ 526,593</u>	<u>\$ 6,969,919</u>	<u>\$ 6,954,958</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, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating loss	\$ (823,307)	\$ (337,897)	\$ (21,131)
Noncash items included in operating loss			
Depreciation	572,957	611,008	
Changes in assets and liabilities			
Decrease (increase) in operating assets			
Accounts receivable	1,093,746	(9,392)	(235)
Prepaid expenses	(8,754)	1,626	(243)
Deposits	1,243	5,520	(317)
Due from others	22,416	7,393	
GASB 68 adjustments	(62,927)	(46,378)	(8,660)
Increase (decrease) in operating liabilities			
Accounts payable	(440,989)	47,382	4,103
Accrued payroll	8,358	836	3,382
Post retirement medical liability	10,672	7,863	1,465
Deposit liability	(189)	(0)	32
Due to others	1,438		
Compensated absences	6,919	4,050	1,003
Deferred revenue	(209,473)	(185)	(38)
Net Cash Provided By (Used In) Operating Activities	\$ 172,110	\$ 291,826	\$ (20,639)

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

Solid Waste Fund	Security Fund	Totals	
		2016	2015
\$ (27,571)	\$ (25,074)	\$ (1,234,980)	\$ (1,126,922)
	41,609	1,225,574	1,122,339
(5,898)	(16,985)	1,061,236	(1,137,911)
(237)	6,972	(636)	17,739
1,968	(9,319)	(905)	(53,000)
		29,809	25,103
(2,309)	(72,165)	(192,439)	(141,290)
18,007	(2,550)	(374,047)	1,016,801
227	3,386	16,189	(15,728)
985	11,095	32,080	(10,582)
140	183	166	(331,654)
		1,438	108,875
490	1,790	14,252	(18,278)
(31)	(127)	(209,854)	213,183
<u>\$ (14,229)</u>	<u>\$ (61,185)</u>	<u>\$ 367,883</u>	<u>\$ (331,325)</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, 2016**

	<u>PARS OPEB</u> <u>Trust Fund</u>	<u>CFD</u> <u>Agency Funds</u>
<u>Assets</u>		
Cash and investments	\$ 1,082,649	\$ 1,226,132
Prepaid expense		1,496
Due from others		1,467
	<hr/>	<hr/>
Total Assets	\$ 1,082,649	\$ 1,229,095
	<hr/>	<hr/>
<u>Liabilities</u>		
Due to others	\$ -	\$ 1,229,095
	<hr/>	<hr/>
Total Liabilities		1,229,095
	<hr/>	<hr/>
<u>Net Position</u>		
Held in trust for OPEB benefits	1,082,649	
	<hr/>	<hr/>
Total Liabilities and Net Position	\$ 1,082,649	\$ 1,229,095
	<hr/>	<hr/>

**Changes in Fiduciary Net Position-PARS Trust Fund**

Additions:	
Employer contributions	\$ 141,750
Total contributions	<hr/> 141,750
Investment income (loss):	
Net adjustment to fair value of investments	<hr/> 23,349
Total Additions (Deductions)	<hr/> 23,349
Change in plan net position	<hr/> 165,099
Net Position:	
Held in trust for OPEB benefits:	
Beginning of year	<hr/> 917,550
End of year	<hr/> <hr/> \$ 1,082,649

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



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2016**

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, 2016**

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, 2016**

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.

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, and 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, 2016**

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 cost 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, 2016**

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	\$ 2,422,339
Designated cash and investments	<u>4,547,581</u>
Cash and investments, Statement of Net Position	6,969,920
Cash and investments, Statement of Fiduciary Net Assets	<u>2,308,781</u>
Total cash and investments	<u><u>\$ 9,278,701</u></u>

Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	\$ 250
Deposits with financial institutions	964,263
Investments	<u>8,314,188</u>
Total cash and investments	<u><u>\$ 9,278,701</u></u>

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, 2016**

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*	\$ 608,680	\$ 608,680	\$ -
State Investment Pool*	5,423,837	5,423,837	
PARS Trust*	1,082,649	1,082,649	
Money Market*	1,199,021	1,199,021	
Totals	<u>\$ 8,314,188</u>	<u>\$ 8,314,188</u>	<u>\$ -</u>

\*Not subject to categorization

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2016**

Note 2: Cash and Investments (Continued)

D. Disclosures Relating to Credit Risk

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.

<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>Not Rated</u>
CAMP Investment Pool	\$ 608,680	N/A	\$ -	\$ 608,680
State Investment Pool	5,423,837	N/A	-	5,423,837
Pars Trust	1,082,649	N/A	-	1,082,649
Money Market	1,199,021	N/A	-	1,199,021
Total investments	<u>\$ 8,314,188</u>		<u>\$ -</u>	<u>\$ 8,314,188</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 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, 2016, \$622,268 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, 2016, 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, 2016**

Note 3: Capital Assets

Capital Assets at June 30, 2016, consist of the following:

	Balance July 1, 2015	Additions	Adjustments/ Deletions	Balance June 30, 2016
<b>Water</b>				
Depreciable assets:				
Water Transmission	\$ 7,333,007	\$ -	\$ (3)	\$ 7,333,004
Water Treatment	9,086,032	13,593,559	(10,448)	22,669,142
Studies	695,885	48,114	-	743,999
Vehicles and equipment	608,683	58,661	(67,623)	599,721
Subtotal	17,723,607	13,700,334	(78,074)	31,345,867
Less: Accumulated Depreciation	(10,968,926)	(572,957)	75,484	(11,466,399)
Net Capital Assets	6,754,681	13,127,377	(2,590)	19,879,468
Non-depreciable assets:				
Construction in progress	11,563,561	24,924	(11,300,580)	287,905
Land	13,640	-	-	13,640
Subtotal	11,577,201	24,924	(11,300,580)	301,545
Net Capital Assets	\$18,331,882	\$ 13,152,301	\$ (11,303,170)	\$ 20,181,013
<b>Sewer</b>				
Depreciable assets:				
Collection Facilities	\$ 4,962,622	\$ 11,571	\$ (524)	\$ 4,973,669
Pumping facility	42,763			42,763
Treatment Plant/Facilities	16,005,348		(2)	16,005,346
Vehicles and equipment	650,268	65,897	(104,767)	611,398
Lake Chesbro Protection	270,020			270,020
Waste Discharge	549,152			549,152
Telemetry Building	512,452			512,452
Subtotal	22,992,625	77,468	(105,293)	22,964,800
Less: Accumulated Depreciation	(13,012,670)	(611,007)	105,291	(13,518,386)
Net Capital Assets	9,979,955	(533,539)	(2)	9,446,414
Non-depreciable assets:				
Construction in progress	208,621	18,511		227,132
Land	578,050	-	-	578,050
Subtotal	786,671	18,511	-	805,182
Net Capital Assets	\$10,766,626	\$ (515,028)	\$ (2)	\$ 10,251,596
<b>Security</b>				
Depreciable assets:				
Vehicle and equipment	\$ 565,397	\$ 20,096	\$ (35,146)	\$ 550,347
Buildings and improvements	307,476	2,104		309,580
Subtotal	872,873	22,200	(35,146)	859,927
Less: Accumulated Depreciation	(409,094)	(41,609)	36,706	(413,997)
Net Capital Assets	463,779	(19,409)	1,560	445,930



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2016**

Note 4: Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2016, was as follows:

	Balance 7/1/2015	Additions	Retirements	Balance 6/30/2016
Compensated absences	\$ 83,283	\$ 110,057	\$ (95,804)	\$ 97,536
Capital lease	2,059	10,249	(2,059)	10,249
Net pension liability (note 6)	2,114,104	71,605		2,185,709
Total	<u>\$ 2,199,446</u>	<u>\$ 191,911</u>	<u>\$ (97,863)</u>	<u>\$ 2,293,494</u>

Capital Lease

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%.

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, 2016**

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, 2016, are summarized as follows:

	Prior to January 1, 2013	On or after 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	13.32%	6.25%

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, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer	\$	250,997
Contributions-employee (paid by employer)	\$	21,369

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

As of June 30, 2016, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<b>Proportionate share of Net pension liability</b>
Miscellaneous Plan	\$ <u>2,185,709</u>

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, 2015, 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, 2014 rolled forward to June 30, 2015 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, 2016**

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

The District's proportionate share of the net pension liability as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.08554%
Proportion - June 30, 2015	0.07967%
Change - Increase (Decrease)	(0.00587)%

For the year ended June 30, 2016, the District recognized pension expense of \$72,960. At June 30, 2016, 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	\$ 15,020	\$ -
Changes of assumptions		(142,102)
Net difference between projected and actual earnings on pension plan investments	-	(71,238)
Changes in proportion and differences between District contributions and proportionate share of contributions		(210,035)
District contributions subsequent to the measurement date	250,997	-
Total	<u>\$ 266,017</u>	<u>\$ (423,375)</u>

The \$250,997 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, 2017.

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>	
2017	\$ (175,152)
2018	(173,690)
2019	(150,574)
2020	91,061
2021	-
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, 2014
Measurement Date	June 30, 2015
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, 2016**

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, 2016**

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:

	<b>Discount Rate -1%</b>	<b>Current Discount</b>	<b>Discount Rate +1%</b>
	<b>(6.65%)</b>	<b>Rate (7.65%)</b>	<b>(8.65%)</b>
Miscellaneous	\$ 3,665,587	\$ 2,185,709	\$ 963,898

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 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 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. 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 2015-2016 fiscal year annual required contribution is calculated using entry age normal cost (same as CalPERS). For the fiscal year ending June 30, 2016 the District contributed \$141,750 towards the unfunded actuarial accrued liability (UAAL). The District made the net contribution for fiscal year end June 30, 2016 directly to health insurance providers totalling \$91,308.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit (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.

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:

Net OPEB obligation-beginning of year	\$ 74,691
Annual OPEB cost current fiscal year	265,138
Less: Employer contribution made to trust	<u>(141,750)</u>
Less: Unreimbursed retiree premium payments made to plan provider	<u>(91,308)</u>
Net employer contribution	<u>(233,058)</u>
Net OPEB obligation-end of year	<u><u>\$ 106,771</u></u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2016**

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

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:

Trend Information for the District OPEB

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost (AOC)</u>	Percentage of AOC <u>Contributed</u>	Net OPEB <u>Obligation</u>
06/30/14	\$ 251,808	82.93%	\$ 85,272
06/30/15	254,870	104.15%	74,691
06/30/16	265,138	87.90%	106,771

Funded Status and Funding Progress

As of June 30, 2016, the actuarial accrued liability (AAL) was \$2,733,628 and the unfunded actuarial accrued liability (UAAL) for benefits was \$1,650,979. 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 January 1, 2014 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.

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.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**June 30, 2016**

Note 8: Special Assessment District (Continued)

The amount of special assessment debt at June 30, 2016, is:

Community Facilities District No. 2014-1	<u>\$ 5,960,000</u>
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Note 9: Restatement of Net Position

Beginning net position was restated because of prior year effects from Governmental Accounting Standards Board Statement 68 for defined benefit pension plans. The beginning balance adjustment between the projected and actual investment income resulted in a \$209,110 increase of the prior year deferred inflows of resources and a \$209,110 reduction to beginning net position.

Note 10: 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 11: 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, 2016.

Note 12: Subsequent Events

Subsequent to fiscal year end the District purchased a security vehicle for \$22,279 and financed \$9,521 of the purchase with a capital lease.

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Revenues**

**Water Fund**

**For the Fiscal Year Ended June 30, 2016**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Service Charges:		
Water sales - residential	\$ 1,653,031	\$ 1,598,773
Water sales - commercial	168,513	162,069
Water availability charges	500	320
Water sales - others	<u>13,172</u>	<u>7,679</u>
Total Service Charges	<u>1,835,215</u>	<u>1,768,841</u>
Other Charges:		
Water telephone line contracts	5,756	5,636
Ditch service charge	700	700
District project charges	36,889	18,198
Late charges	14,787	12,476
Water inspection fees	1,771	633
Transfer fees	<u>4,357</u>	<u>3,657</u>
Total Other Charges	<u>64,260</u>	<u>41,300</u>
Total Operating Revenues	<u><u>\$ 1,899,475</u></u>	<u><u>\$ 1,810,141</u></u>



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Water Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Source of Supply:		
Wages and salaries	\$ 11,122	\$ 21,367
Employer costs	5,791	11,496
Maintenance and repairs	6,787	7,767
Purchased power	68,614	111,346
Dam inspection costs	34,924	39,198
Chemical	17,450	12,998
Equipment rental	-	1,604
	<u>144,689</u>	<u>205,776</u>
Treatment:		
Wages and salaries	244,726	151,262
Employer costs	143,826	90,725
Purchased power	84,608	73,023
Chemicals	56,428	63,119
Maintenance and repairs	57,553	38,289
Supplies	2,193	5
Equipment rental	256,055	41,013
Lab tests	16,265	10,591
Miscellaneous	-	-
	<u>861,654</u>	<u>468,027</u>
Total Treatment	-	
Transmission and Distribution:		
Wages and salaries	200,102	215,850
Employer costs	89,228	96,724
Water meters	29,561	26,286
Maintenance and repairs	32,300	61,721
Purchased power	49,017	45,884
Equipment rentals	10,335	25,936
Road paving	41,898	52,754
Supplies	480	544
Miscellaneous	561	-
	<u>453,482</u>	<u>525,699</u>
Total Transmission and Distribution		
General and Administrative:		
Wages and salaries	268,712	209,873
Employer costs	73,898	85,455
	<u>342,611</u>	<u>295,328</u>
Subtotal General and Administrative		

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Water Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Subtotal General and Administrative:	\$ 342,611	\$ 295,328
Communications	16,340	13,748
Maintenance and repairs	89,825	91,274
Insurance	37,436	31,747
Permits	41,910	26,016
Supplies	12,281	12,899
Directors' meeting and expenses	5,257	7,019
Elections	-	707
Legal and audit	41,433	53,373
Training and safety	5,259	5,935
Vehicle expenses	18,038	27,975
Tools	9,004	14,735
Sacramento Water Authority	13,738	6,000
Miscellaneous	7,078	24,781
Postage	7,799	8,251
Travel and meetings	3,556	6,019
Tuition reimbursement	105	596
Clerical services	-	39,875
Consulting services	1,520	31,221
Dues and memberships	6,006	14,698
Uniforms	4,099	3,551
Purchased power	3,144	3,314
Equipment lease	1,008	1,083
Bad debts	-	-
Water conservation	19,890	18,557
Janitorial and pest control	1,726	1,664
CIA ditch operations	938	5,403
	<u>690,001</u>	<u>745,769</u>
Total General and Administrative		
Depreciation	<u>572,957</u>	<u>483,941</u>
Total Operating Expenses	<u>\$ 2,722,783</u>	<u>\$ 2,429,212</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Revenues**

**Sewer Fund**

**For the Fiscal Year Ended June 30, 2016**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Service Charges:		
Sewer service - residential	\$ 1,202,062	\$ 1,164,771
Sewer service - commercial	123,526	121,316
Sewer availability charges	<u>560</u>	<u>390</u>
Total Service Charges	<u>1,326,149</u>	<u>1,286,477</u>
Other Charges:		
Sewer inspection fees	1,645	380
District project charges	2,719	2,719
Late charges	14,787	12,476
Transfer fees	<u>3,326</u>	<u>2,792</u>
Total Other Charges	<u>22,476</u>	<u>18,367</u>
Total Operating Revenues	<u>\$ 1,348,625</u>	<u>\$ 1,304,844</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses**

**Sewer Fund**

**For the Fiscal Year Ended June 30, 2016**

**(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Collections:		
Wages and salaries	\$ 80,982	\$ 85,887
Employer costs	42,543	42,841
Maintenance and repairs	35,453	27,748
Purchased power	14,586	13,252
Equipment rental	-	6,517
Supplies	(473)	1,670
Miscellaneous	-	-
	<hr/>	<hr/>
Total Collections	173,090	177,915
	<hr/>	<hr/>
Treatment and Disposal:		
Purchased power	103,775	104,005
Chemicals	24,980	41,053
Wages and salaries	107,793	108,315
Employer costs	58,269	55,789
Lab tests	14,983	56,986
Maintenance and repairs	81,268	51,640
Supplies	-	1,086
Equipment rental	8,359	11,890
Miscellaneous	2,120	1,455
	<hr/>	<hr/>
Total Treatment and Disposal	401,547	432,219
	<hr/>	<hr/>
General and Administrative:		
Wages and salaries	189,997	137,892
Employer costs	49,152	43,776
Communications	12,255	11,737
Maintenance and repairs	89,356	103,846
Insurance	23,136	24,239
Vehicle expenses	16,182	22,784
Supplies	10,138	9,446
Directors' meetings and expenses	4,014	5,899
Legal and audit	24,752	29,418
Training and safety	8,162	12,270
Permits	29,245	36,270
Miscellaneous	5,822	7,654
Postage	5,954	6,300
Tools	13,084	17,417
	<hr/>	<hr/>
Subtotal General and Administrative	481,249	468,948
	<hr/>	<hr/>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Sewer Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Subtotal General and Administrative:	\$ 481,249	\$ 468,948
Travel and meetings	3,131	5,099
Tuition reimbursement	-	508
Clerical Services	-	30,444
Consulting	-	9,526
Uniforms	4,282	3,836
Dues and memberships	7,319	4,583
Purchased power	2,400	2,530
Janitorial and pest control	1,726	1,664
Equipment lease	770	827
	<u>500,877</u>	<u>527,965</u>
Total General and Administrative		
	<u>611,008</u>	<u>608,191</u>
Depreciation		
	<u>\$ 1,686,522</u>	<u>\$ 1,746,290</u>
Total Operating Expenses		

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Revenue  
Drainage Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Special Taxes:		
Drainage service - residential	\$ 157,116	\$ 153,783
Drainage service - commercial	<u>30,379</u>	<u>29,783</u>
Total Special Taxes	<u>187,495</u>	<u>183,566</u>
Other Charges:		
Transfer fees	<u>683</u>	<u>573</u>
Total Operating Revenues	<u><u>\$ 188,178</u></u>	<u><u>\$ 184,139</u></u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Drainage Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Drainage:		
Wages and salaries	\$ 79,232	\$ 66,379
Maintenance and repairs	7,495	19,451
Purchased power	9,609	6,724
Employer costs	34,738	29,970
Equipment rental	-	1,844
Legal and audit	-	-
Chemicals	5,984	4,344
Supplies	-	1,192
Improvements	380	119
Permits	5,223	5,826
Uniforms	-	-
Miscellaneous	2,956	785
	<hr/>	<hr/>
Total Drainage	145,616	136,634
	<hr/>	<hr/>
General and Administrative:		
Wages and salaries	32,018	25,036
Employer costs	7,746	7,037
Clerical expense	-	6,253
Communications	631	591
Insurance	4,752	4,978
Maintenance and repairs	7,569	7,729
Vehicle Expenses	-	8
Directors' meeting and expenses	824	1,212
Uniforms		
Office supplies	1,288	-
Legal and audit	4,872	5,952
Postage	1,223	1,294
Consulting services	-	1,865
Miscellaneous	484	1,063
Travel and meeting	278	600
Tuition reimbursement	-	35
Memberships	623	647
Training and safety	734	231
Purchased power	493	520
Equipment lease	158	170
	<hr/>	<hr/>
Total General and Administrative	63,693	65,221
	<hr/>	<hr/>
Total Operating Expenses	\$ 209,309	\$ 201,854
	<hr/>	<hr/>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Revenues  
Solid Waste Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Service Charges:		
Solid Waste - residential	\$ 638,522	\$ 634,554
	<u>638,522</u>	<u>634,554</u>
Total Service Charges		
	<u>638,522</u>	<u>634,554</u>
Total Operating Revenues	<u>\$ 638,522</u>	<u>\$ 634,554</u>



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Solid Waste Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Solid Waste:		
Contract charges	\$ 557,728	\$ 552,778
E-Waste disposal cost	17,140	-
Miscellaneous	<u>34,732</u>	<u>35,018</u>
Total Solid Waste	<u>609,600</u>	<u>587,796</u>
General and Administrative:		
Wages and salaries	26,244	16,946
Employer costs	11,139	8,765
Travel-Meetings	228	492
Tuition reimbursement	-	-
Clerical reimbursement	-	5,125
Office supplies	1,056	977
Mail machine lease	130	139
Insurance	3,895	4,081
Postage	1,002	1,061
Professional services	8,158	9,029
Utilities	743	746
Maintenance and repairs	2,040	2,382
Consulting	-	40
Miscellaneous	1,181	1,685
Directors' meeting and expenses	<u>676</u>	<u>902</u>
Total General and Administrative	<u>56,492</u>	<u>52,370</u>
Total Operating Expenses	<u>\$ 666,092</u>	<u>\$ 640,166</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Revenues  
Security Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Special Taxes:		
Security service - residential	\$ 1,079,076	\$ 1,030,651
Security service - commercial	<u>179,069</u>	<u>153,291</u>
Total Special Taxes	<u>1,258,145</u>	<u>1,183,942</u>
Other Charges:		
Late charges	29,574	24,953
Transfer fees	7,874	6,808
Fines and permits	14,210	13,160
Other	<u>9,139</u>	<u>7,799</u>
Total Other Charges	<u>60,796</u>	<u>52,720</u>
Total Operating Revenues	<u>\$ 1,318,941</u>	<u>\$ 1,236,662</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Security Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Gate Services:		
Wages and salaries	\$ 293,441	\$ 281,131
Employer costs	174,920	172,089
Miscellaneous	3,640	5,959
Equipment repairs and maintenance	11,163	7,423
Supplies	9,863	8,719
Communications	4,586	4,364
Janitor and pest controls	3,477	3,296
Purchased power	8,800	7,414
Training and safety	-	85
Uniforms	1,447	1,535
	<u>511,338</u>	<u>492,015</u>
Patrol Services:		
Wages and salaries	260,993	245,858
Employer costs	157,239	130,736
Vehicle fuel	12,127	17,460
Off-duty sheriff patrol	6,286	6,262
Vehicle maintenance	9,586	12,895
Uniforms	2,186	1,069
Miscellaneous	15,600	20,216
Cellular phone	3,920	3,879
Equipment repairs and maintenance	1,692	4,623
Janitor and pest control	1,841	2,645
Supplies	260	
Travel/meetings	163	2,349
Tuition reimbursement	-	115
Training and safety	1,702	1,451
	<u>473,595</u>	<u>449,558</u>
General and Administrative:		
Wages and salaries	202,724	154,454
Employer costs	17,700	21,988
Clerical services	-	20,809
Insurance	15,814	16,567
Legal and audit	20,384	31,285
Supplies	12,229	10,647
Directors' meetings and expenses	2,744	4,032
Training and safety	1,695	1,661
Consulting	-	3,886
Uniforms		
Purchased power	1,641	1,729
	<u>274,930</u>	<u>267,058</u>
Subtotal General and Administrative	<u>274,930</u>	<u>267,058</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**Schedule of Operating Expenses  
Security Fund  
For the Fiscal Year Ended June 30, 2016  
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

	<u>2016</u>	<u>2015</u>
Subtotal General and Administrative:	\$ 274,930	\$ 267,058
Communications	3,140	2,972
Equipment repairs and maintenance	25,422	26,043
Postage	4,070	4,336
Bad debts	-	-
Travel and meetings	924	-
Miscellaneous	6,238	4,831
Memberships	2,072	2,155
Equipment lease	526	565
Vehicle expenses	-	-
Uniform	<u>152</u>	<u>          </u>
Total General and Administrative	<u>317,473</u>	<u>307,960</u>
Depreciation	<u>41,609</u>	<u>30,207</u>
Total Operating Expenses	<u>\$ 1,344,015</u>	<u>\$ 1,279,740</u>

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 JUNE 30, 2016**

<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%

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, 2016**

<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>
Miscellaneous 1st tier					
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%

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, 2016 and have issued our report thereon dated November 2, 2016. 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 2, 2016



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**COMMUNITY FACILITIES DISTRICT NO. 1**

**COMPONENT UNIT FINANCIAL STATEMENTS**

**JUNE 30, 2016**

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 1  
JUNE 30, 2016**

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# LARRY BAIN, CPA

An Accounting Corporation

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[lpbain@sbcglobal.net](mailto:lpbain@sbcglobal.net)

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Rancho Murieta Community Services District  
Community Facilities District No. 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 No.1 (CFD), a component unit of the Rancho Murieta Community Services District, as of and for the fiscal year ended June 30, 2016, which collectively comprise the CFD'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.1 as of June 30, 2016, 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 #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 3, 2016 on our consideration of the CFD #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 3, 2016

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

**STATEMENT OF NET POSITION  
JUNE 30, 2016**

Current Assets	
Cash and investments	\$ 27,111
Total Assets	<u>\$ 27,111</u>
Current Liabilities	
Accounts payable	\$ 75
Total Liabilities	<u>75</u>
Net Position	
Restricted	<u>27,036</u>
Total Net Position	<u>\$ 27,036</u>

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

**STATEMENT OF ACTIVITIES  
JUNE 30, 2016**

	Expenses	Program Revenues Capital Grants and Contributions	Total
Governmental Activities:			
General government	\$ 309,768	\$ 306,688	\$ (3,080)
Total Governmental Activities	\$ 309,768	\$ 306,688	(3,080)
General Revenues:			
Investment income			-
Total general revenues			-
Change in net position			(3,080)
Net position - beginning			30,116
Net position - ending			\$ 27,036

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

**GOVERNMENTAL FUND  
BALANCE SHEET  
JUNE 30, 2016**

Assets	
Cash and investments	\$ 27,111
Total Assets	<u>\$ 27,111</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 75
Total Liabilities	<u>75</u>
Fund Balance	
Fund balances	
Restricted for CFD #1	27,036
Total Fund Balance	<u>27,036</u>
Total Liabilities and Fund Balance	<u>\$ 27,111</u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
JUNE 30, 2016**

Fund Balances of Governmental Funds	\$ 27,036
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Amounts reported for governmental activities in the statement of net position are different because:

Some 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>-</u>
Net position of governmental activities	<u><u>\$ 27,036</u></u>



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

**GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR the FISCAL YEAR END JUNE 30, 2016**

Revenues	
Developer contributions	\$ 306,688
Investment income	-
Total Revenues	<u>306,688</u>
Expenditures	
Current:	
Administration	<u>3,080</u>
Total Expenditures	<u>3,080</u>
Excess (Deficit) of Revenues over expenditures	<u>303,608</u>
Other financing sources (uses)	
Transfer developer contributions to other government	<u>(306,688)</u>
Net Change in Fund Balance	<u>(3,080)</u>
Fund Balance, July 1, 2015	<u>30,116</u>
Fund Balance, June 30, 2016	<u><u>\$ 27,036</u></u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR the FISCAL YEAR END JUNE 30, 2016JUNE 30, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ (3,080)

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:

Change in net position of governmental activities \$ (3,080)

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Rancho Murieta Community Services District, Community Services District No. 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's accounting policies are described below.

**A. Reporting Entity**

The Rancho Murieta Community Services District, Community Facilities District No. 1 (CFD) was formed in March 1, 1991, by resolution of the Rancho Murieta Community Services District's Board of Directors for the sole purpose of acquiring and constructing water and sewer facilities that will benefit the inhabitants within the Rancho Murieta Community. In order to finance the expansion of water and sewer facilities, special tax bonds totalling \$12,925,000 were issued pursuant to the Mello-Roos Community Facilities Act of 1982. These tax bonds were paid off during the 2013-14 fiscal year.

As of June 30, 1997, all acquisitions and constructed facilities funded by the special tax bonds were completed and transferred to the Rancho Murieta Community Services District. Additional construction costs incurred by the CFD are funded by developers under shortfall agreements.

During the 2015-16 fiscal year the CFD #1 was used as a financing conduit for the construction of the new wastewater treatment plant under developer financing agreements.

The CFD, 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 are maintained by the Rancho Murieta Community Services District.

The financial statements present only the financial position and changes in financial position of the CFD 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 government. Eliminations are made to minimize the double accounting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the CFD'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'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.1**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Major Funds:**

GASB Statement No.34 defines major funds and requires that the CFD's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that have assets, liabilities, revenues, or expenditures equal to ten percent of their fund- type total and five percent of the total for all fund types. The CFD #1 has only one fund for financial reporting purposes.

**D. 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 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 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 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's policy is to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

F. 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.

G. 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 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	\$ 18,777
Investments	<u>8,334</u>
Total cash and investments - restricted	<u><u>\$ 27,111</u></u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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 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. 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>
CAMP Investment Pool*	\$ 8,334	\$ 8,334	\$ -
Totals	<u>\$ 8,334</u>	<u>\$ 8,334</u>	<u>\$ -</u>

\*Not subject to categorization

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. 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 Not Rated</u>
CAMP Investment Pool	\$ 8,334	N/A	\$ -	\$ 8,334
Total investments	<u>\$ 8,334</u>		<u>\$ -</u>	<u>\$ 8,334</u>

D. 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.

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, 2016, \$0 of the District's deposits with financial institutions were in excess of federal depository insurance limits required to be held in collateralized accounts.

# LARRY BAIN, CPA

An Accounting Corporation

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

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

We have audited the Financial Statements of the Rancho Murieta Community Services District CFD #1 (CFD) as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated November 3, 2016. 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'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's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the CFD'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'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'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 3, 2016



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

**COMMUNITY FACILITIES DISTRICT NO. 2014-1**

**COMPONENT UNIT FINANCIAL STATEMENTS**

**JUNE 30, 2016**

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
COMMUNITY FACILITIES DISTRICT NO. 2014-1  
JUNE 30, 2016**

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# LARRY BAIN, CPA

An Accounting Corporation

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

[lpbain@sbcglobal.net](mailto:lpbain@sbcglobal.net)

## **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, 2016, 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, 2016, 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 3, 2016 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 3, 2016

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

**STATEMENT OF NET POSITION  
JUNE 30, 2016**

Current Assets		
Cash and investments	\$	527,766
Prepaid expense		1,496
Noncurrent assets		
Restricted cash and investments		671,255
Special assessment receivables		5,569,876
Total Assets	\$	<u>6,770,393</u>
Liabilities		
Current		
Accounts payable	\$	1,660
Accrued interest payable		87,187
Total Current Liabilities		<u>88,847</u>
Noncurrent		
Special assessment debt		5,960,000
Total Liabilities		<u>6,048,847</u>
Net Position		
Restricted		721,546
Total Net Position	\$	<u>721,546</u>

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

**STATEMENT OF ACTIVITIES  
JUNE 30, 2016**

	Expenses	Program Revenues Capital Grants and Contributions	Total
Governmental Activities:			
Community facilities district	\$ 373,480	\$ -	\$ (373,480)
Interest expense	262,020		(262,020)
Total Governmental Activities	\$ 635,500	\$ -	(635,500)

General Revenues:

Tax revenue			
Investment income			139
Total general revenues			139
Change in net position			(635,361)
Net position - beginning			1,356,907
Net position - ending			\$ 721,546

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

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

**Assets**

Cash and investments	\$ 527,766
Restricted cash and investments	671,255
Prepaid expense	1,496
Accounts receivable:	
Special assessments	<u>5,569,876</u>
Total Assets	<u><u>\$ 6,770,393</u></u>

**Liabilities, Deferred Inflows of Resources and Fund Balances**

**Liabilities**

Accounts payable	<u>\$ 1,660</u>
Total Liabilities	<u>1,660</u>

Deferred inflows of resources:

Unavailable revenues-special assessments	<u>5,568,409</u>
Total Deferred Inflows of Resources	<u><u>5,568,409</u></u>

Fund Balance

Fund balances	
Restricted for CFD # 2014-1	<u>1,200,324</u>
Total Fund Balance	<u>1,200,324</u>
Total Liabilities Deferred Inflows of Resources and Fund Balance	<u><u>\$ 6,770,393</u></u>

**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, 2016**

Fund Balances of Governmental Funds	\$ 1,200,324
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>\$ 721,546</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, 2016**

Revenues	
Investment income	\$ 139
Total Revenues	<u>139</u>
Expenditures	
Current:	
Administration	10,710
Debt Service	
Principal	-
Interest	284,810
Total Expenditures	<u>295,520</u>
Excess (Deficit) of Revenues over expenditures	<u>(295,381)</u>
Other Financing Sources (Uses)	
Transfers to other government	<u>(362,770)</u>
Total Other Financing Sources (Uses)	<u>(362,770)</u>
Net Change in Fund Balance	<u>(658,151)</u>
Fund Balance, July 1, 2015	<u>1,858,475</u>
Fund Balance, June 30, 2016	<u><u>\$ 1,200,324</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, 2016**

Net Change in Fund Balances - Total Governmental Funds	\$ (658,151)
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.	<u>22,790</u>
Change in net position of governmental activities	<u><u>\$ (635,361)</u></u>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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.

As of June 30, 2016, the construction of the new water facility was in progress and during the 2015/16 fiscal year \$362,770 of constructed facilities were paid with CFD 2014-1 bond proceeds and transferred to the Rancho Murieta Community Services District. Additional construction costs are 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, 2016**

**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 *measureable 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**

District 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, 2016**

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	\$ 527,766
Investments	671,255
	<hr/>
Total cash and investments	\$ 1,199,021
	<hr/> <hr/>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**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, 2016**

**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:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
Treasury funds	\$ 671,255	\$ 671,255	\$ -
Totals	<u>\$ 671,255</u>	<u>\$ 671,255</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.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End	
				AAA	Not Rated
Treasury funds	\$ 671,255	N/A	\$ -	\$ 671,255	\$ -
Total investments	<u>\$ 671,255</u>		<u>\$ -</u>	<u>\$ 671,255</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, 2016**

**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, 2016, \$277,766 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, 2016. The CFD 2014-1 will refer pending delinquency cases to the CFD 2014-1's legal counsel for collection.

At June 30, 2016 the CFD 2014-1 held \$238,351 remaining in a special tax fund for the payment of the first two years 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, 2016**

**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, 2016, was as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	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
2017	\$ -	\$ 261,560	\$ 261,560
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
2022-2026	750,000	1,205,645	1,955,645
2027-2031	895,000	1,054,263	1,949,263
2032-2036	1,120,000	829,589	1,949,589
2037-2041	1,410,000	537,463	1,947,463
2042-2045	1,390,000	168,622	1,558,622
Totals	<u>\$ 5,960,000</u>	<u>\$ 5,093,307</u>	<u>\$ 11,053,307</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 is 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

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

[lpbain@sbcglobal.net](mailto: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, 2016, and have issued our report thereon dated November 3, 2016. 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 3, 2016

## MEMORANDUM

Date: December 16, 2016  
To: Board of Directors  
From: Darlene J. Thiel, General Manager  
Subject: Consider Approval of Proposal from Burns & McDonnell Engineering Company, Inc. for Security Department Assessment and Video Surveillance Strategy, RFP#2016-1002

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### RECOMMENDED ACTION

Approve proposal from Burns & McDonnell and authorize the General Manager to execute the agreement with Burns & McDonnell Engineering Company, Inc., pending successful negotiation of final terms and conditions, in an amount not to exceed \$49,350 inclusive of travel cost. Funding to come from Security Impact Fees.

### BACKGROUND

On November 1, 2016, a Request for Proposal (RFP #2016-1002) was issued for Security Department Assessment and District CCTV Strategy – Consulting Services, Support, and Documentation. Five (5) proposals were received by the required deadline of 4:00 p.m. on November 16, 2016 from the following firms:

Vantage Security Consulting Group, El Segundo, CA  
Security Risk Management Consultants, Columbus, OH  
Guidepost Solutions, Sacramento, CA  
Burns & McDonnell Engineering Company, Inc., South San Francisco, CA  
Triad Consulting & System Design Group, LLC, Corona, CA

Chief Wagner and I each evaluated the proposals independently against the requirements of RFP #2016-1002. Our individual scores were then added together and averaged. Chief Wagner then contacted three (3) references for each proposer and the results of the reference checks were scored and added to the average rating. The cost proposals were then opened and ranked from lowest to highest where the lowest proposal received 5 points and the highest proposal received 1 point.

	Score before Cost Estimate Ranking	Cost Estimate Ranking	Total Score
Vantage Security Consulting Group	58.5	5.0	63.5
Security Risk Management Consultants	69.0	4.0	73.0
Guidepost Solutions	68.2	3.0	71.2
<b>Burns &amp; McDonnell Engineering Company, Inc.</b>	<b>73.0</b>	<b>2.0</b>	<b>75.0</b>
Triad Consulting & System Design Group, LLC	68.8	1.0	69.8



November 15, 2016

Paul Wagner  
Security Chief  
Rancho Murieta Community Services District  
15160 Jackson Road  
Rancho Murieta, CA 95683

Re: Security Department Assessment & District CCTV Strategy Proposal | RFP #2016-1002

Dear Mr. Wagner:

Burns & McDonnell is pleased to submit this proposal to Rancho Murieta Community Services District (the District) to assist with the Security Department Assessment & District CCTV Strategy. We understand the underlying goal is to assist the District with creating a safe and secure community while operating efficiently and within budget to meet the growing needs of the District. We have developed the approach and methodology for this project specifically with these goals in mind.

Burns & McDonnell brings a vast knowledge of security and life safety planning, design, and implementation projects and has direct experience on similar projects, including District-wide environments. We welcome this opportunity to assist the District with this important project. As you review our proposal, please consider the following strengths of the Burns & McDonnell team:

- ▶ Burns & McDonnell has direct, related project experience
- ▶ Burns & McDonnell is not aligned with manufacturers, distributors, or installers, allowing our team the freedom to base recommendations on the best interests of the District
- ▶ Burns & McDonnell includes certified, published professionals who are recognized industry leaders and public speakers in disciplines specifically relevant to this project
- ▶ Burns & McDonnell has the depth of resources available to overcome project challenges
- ▶ Burns & McDonnell is 100 percent employee-owned, financially strong and without debt

We welcome the opportunity to discuss this proposal in more detail, and should you have any questions, please feel free to contact me directly at 816-823-6093 or [bkehl@burnsmcd.com](mailto:bkehl@burnsmcd.com).

Sincerely,

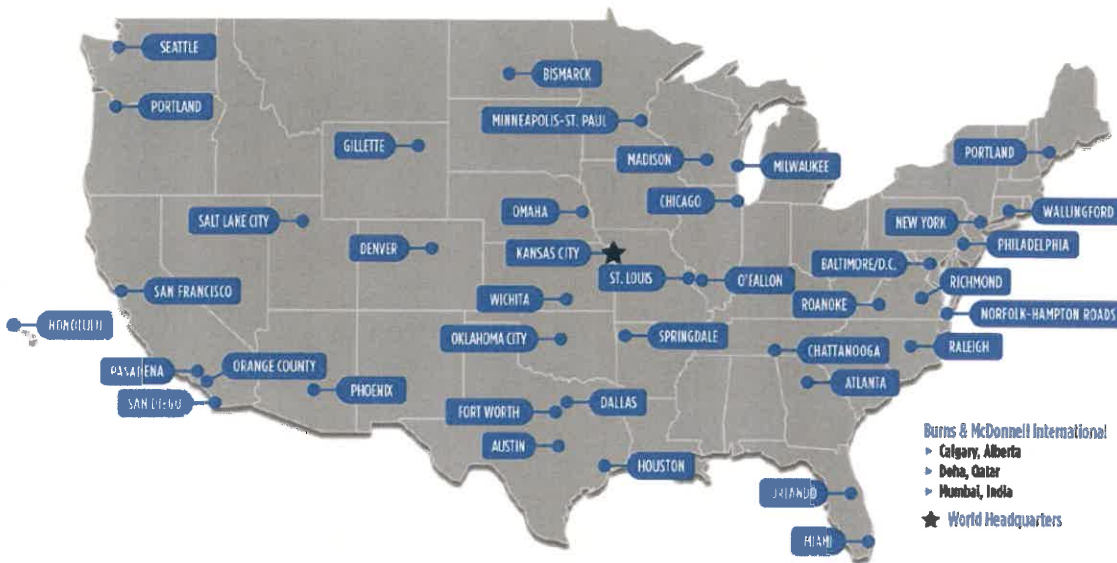
Jeffrey J. Greig  
Senior Vice President

Brandon Kehl, CPP, CSS, LEO  
Project Manager

# FIRM QUALIFICATIONS

Burns & McDonnell is a fully integrated engineering, architecture, construction, environmental and consulting firm with a multidisciplinary staff of more than 5,300 professionals worldwide. With annual revenues of \$2.5 billion, we have large-firm resources but small-firm responsiveness. Because we are relationship-focused and dedicated to creating amazing success for our clients, we have a 90 percent repeat-business rate and client partnerships that span multiple decades. Clients appreciate the entrepreneurial ambition at Burns & McDonnell. Being 100 percent employee-owned means that everyone has an ownership stake in the success of our clients, and all team members are driven to find remarkable solutions.

STABILITY	<b>FOUNDED IN 1898</b>	STRENGTH	<b>MORE THAN 5,000 PROFESSIONALS</b>
SERVICE	<b>100% EMPLOYEE- OWNED</b>	EXCELLENCE	<b>TOP 5% TOP500 DESIGN FIRMS</b>



## FAR-REACHING PRESENCE

Based in Kansas City, Missouri, Burns & McDonnell has more than 35 offices nationwide including four in California, allowing us to provide innovative, timely and cost-effective services to clients. We also have international project offices, enabling us to provide you with our full range of services wherever you need us.

## CORPORATE STRUCTURE & SERVICES

Burns & McDonnell provides comprehensive services that cover the full life cycle of a project, which means we find unique and cost-effective solutions to meet our clients' needs. Our corporate structure includes 11 practices that integrate seamlessly, bringing our clients the breadth and depth of knowledge and skills they need:

- ▶ Aviation & Federal
- ▶ Business & Technology Services
- ▶ Construction/Design-Build
- ▶ Energy
- ▶ Environmental
- ▶ Environmental Studies & Permitting
- ▶ Global Facilities
- ▶ Process & Industrial
- ▶ Transmission & Distribution
- ▶ Transportation
- ▶ Water

# FIRM QUALIFICATIONS

(continued)

## COMMITMENT TO SMALL & DIVERSE FIRMS

The founders of Burns & McDonnell were two young engineers who set up their own shop in 1898, and our company appreciates that same entrepreneurial spirit today. Burns & McDonnell is committed to maintaining and strengthening relationships with the small and diverse business community through a variety of partnering and sourcing relationships. In the words of our CEO, Greg Graves: “Our small business and supplier diversity efforts are a direct and tangible way we can work to obtain the best value for our clients.”

Burns & McDonnell maintains active corporate participation and membership in more than 15 chambers and organizations that have a positive impact on small and diverse business entrepreneurship. For example, we are a board member of the Kansas City Chamber’s Diverse Business Connection, and we sponsored the 2014 National Training Institute for the American Contract Compliance Association, whose mission is to deliver comprehensive training and certification to practitioners working within areas that include minority/women/disadvantaged/small/emerging business enterprises. Burns & McDonnell also engages in unofficial mentoring to small and diverse businesses, as well as formal mentoring through programs such as the U.S. Small Business Administration’s Mentor-Protégé program. Burns & McDonnell has contracted with small and diverse companies for more than \$2 billion in work over the past decade. We hold an annual awards reception highlighting companies who participated with us on these projects, recognizing them as integral to project success and client satisfaction.

## DEPTH OF STAFF

With more than 5,300 employee-owners, Burns & McDonnell has professionals with extensive experience in a wide range of scientific, architectural and engineering disciplines. This means that if unexpected issues arise at critical stages of your project, we have people with the knowledge and background to address your project’s challenges in a timely, integrated and efficient manner. This translates to project consistency, lower costs and the ability to maintain your project schedule.

## DIVERSITY AWARDS

- ▶ Champion of Supplier Diversity, 2014  
*Urban League of Greater Kansas City*
- ▶ Community Guardian Award for Business, 2014  
*AdHoc Group Against Crime*
- ▶ Prime Supplier of the Year, 2013  
*Edison Electric Institute’s National Supplier Diversity Conference*
- ▶ Champions of Diversity, 2012  
*Greater Kansas City Chamber of Commerce*
- ▶ Corporation of the Year, 2007 and 2011  
*MidAmerica Minority Supplier Development Council*



# FIRM QUALIFICATIONS

(continued)

## Victor Elazegui, PSP

Victor currently serves as a physical security specialist with Burns & McDonnell. Victor is an ASIS Board Certified Physical Security Professional (PSP®) and has extensive, first-hand experience in physical security operations and management within both the public and private industries. Victor's background demonstrates professional growth in multiple security capacities including asset protection, loss prevention, campus security, and corporate security in the utilities and retail financial sectors. As such, Victor specializes in the diverse matters of security management including the development and implementation of security standard operating procedures (SOPs), security planning and design, corporate and regulatory compliance, and security risk, threat, and vulnerability assessments. Through his experiences, Victor has gained a thorough understanding of physical protection system (PPS) elements and technologies to include video surveillance, access control and intrusion detection systems, and the effectiveness of those technologies in 'real-world' applications. Victor's ability to analyze and interpret regulations impacting physical security combined with his tenure in security operations allows him to properly and accurately assess his client's needs from both efficiency and cost-benefit standpoints.

## Mike Monahan, CPP, ENV SP

Mike currently serves Burns & McDonnell as a Security Analyst. He has eight years' experience with industrial facility design-build requirements and critical infrastructure security compliance requirements. This experience includes projects for government and private-sector clients. Mike has provided security consulting and analysis services to critical infrastructure clients, system design requirements for requests for proposal (RFP), detailed design documents for international clients, and onsite implementation assistance.

## Terry D. Harless

Terry is a physical security specialist at Burns & McDonnell. Terry has extensive experience in analyzing, recommending, and designing electronic security systems, which include Video Surveillance, Access Control, PLC and Touch Screen Control, Duress Alarm and Intrusion Detection Systems.

## RESUMES

Resumes for the key personnel can be found in the Appendix.

## RECENT PROJECTS & CLIENT REFERENCES

We are pleased to present related examples of work performed similar to this project. In each of the examples presented, the cost was based on a firm fixed, lump sum fee that did not change during the course of the project.

# FIRM QUALIFICATIONS

(continued)

## County of Berks, Pennsylvania

### *Countywide Security Master Plan*

Burns & McDonnell is performing a county-wide security master plan project for the County of Berks, Pennsylvania. Burns & McDonnell performed assessments of the Berks County facilities, incorporating previous studies and programs, the needs and assets of each facility, and conducting stakeholder interviews to identify appropriate security strategies.



Phase 1 of this project included the development of a master plan, including evaluating the overall security program, security staffing strategy, incident response protocols, and security systems in an effort to determine the best methods of effectively leveraging the County's security budget across the various facilities. Phase 2 includes the implementation of those measures determined in Phase 1, including security system design and specification drafting, system and security staffing bid assistance, construction and implementation management, the development of security related minimum design standards for future improvements, internal training of County staff, and ongoing consulting services.

### CLIENT REFERENCE

- ▶ Berks County, Pennsylvania
- ▶ Carl Geffken, Chief Executive Officer  
633 Court Street, Reading, PA  
610.478.3374

### PROJECT TEAM

- ▶ Project Manager: Brandon Kehl, CPP
- ▶ Physical Security Lead: Terry Harless
- ▶ Design Lead: Shawn M. Whalen, PE

### COST

- ▶ Phase 1: >\$200k (lump sum)
- ▶ Phase 2: TBD, pending

### SERVICES

- ▶ Security Consulting & Assessment
- ▶ Security Master Plan & System Design
- ▶ Construction Administration
- ▶ Implementation Oversight



# FIRM QUALIFICATIONS

(continued)

## NPTU Nuclear Power Training Facilities

### *Security Systems Design and Integration Joint Base Charleston, SC*

Burns & McDonnell was engaged to provide physical and electronic security systems design associated with MILCON Projects P099/P100 – Nuclear Power Training Facilities at the Nuclear Power Training Unit, Joint Base Charleston, SC. The overall MILCON project included the design of multiple training buildings and related facilities, a marine pier extension and extensive site expansion and reconfiguration. The security systems design was coordinated closely with the Space and Naval Warfare Systems Center (SPAWAR) and NPTU Security Engineering to prevent land- and water-based intrusion and access to operating nuclear submarines and support systems. SPAWAR provided system requirements for site intrusion detection, video monitoring and assessment, and access control for the site and new facilities which were being designed by Burns & McDonnell.



Site security design included extensive modifications to the secure perimeter including multiple vehicle entry control points. The perimeter security systems included primary fence-based intrusion detection, secondary intrusion detection and CCTV assessment. Burns & McDonnell also designed the Security Access Entry Point (SAEP) for processing personnel and visitors into and out of the secure site. The SAEP included multiple checkpoint levels, turnstiles, video monitoring and metal detection equipment. Access control systems design beyond the SAEP entry point included interior card reader/biometric reader access control, pier entry vehicle access control and personnel turnstiles.

Site monitoring and perimeter assessment was provided through the design of an extensive site CCTV system. Site monitoring and overall security systems monitoring and control are available from primary and secondary command and control centers.

## PROJECT FEATURES

- ▶ Multi-level Site Intrusion Detection
- ▶ Automatic Under Vehicle Inspection System
- ▶ Security Communications including Duress and SEAS
- ▶ Mobile Security Communications System
- ▶ Site and Pier Access Control System
- ▶ Defensive Fighting Positions.

## CLIENT REFERENCE

- ▶ Naval Facilities Engineering Command, NAVFAC SE
- ▶ Contact: Ms. Gianna Warner  
gianna.warner@navy.mil  
(904) 542-6297
- ▶ NPTU Recapitalization & Training Integration
- ▶ Contact: Mr. Jason Hubert  
Jason.hubert.ctr@navy.mil  
(843) 764-7606, ext. 2

## PROJECT TEAM

- ▶ PM: Jerry Shirley, PE
- ▶ Lead Electrical Engineer & Client Coordinator for Security Design: Craig Koenig
- ▶ Security Systems Lead: Robert Hope
- ▶ Security Design: Vince Aragon

## SERVICES

- ▶ Physical Security Design
- ▶ Electronic Security Design
- ▶ Command and Control Centers

# FIRM QUALIFICATIONS

(continued)

## Johnson County, Kansas

### *Safety and Security Audit*

Burns & McDonnell provided security consulting services to Johnson County, Kansas, Department of Motor Vehicles (DMV). The DMV offices associated with this project support the Kansas side of the Kansas City metropolitan area which has population of over 500,000.



Burns & McDonnell conducted an assessment of current operational, physical and technological security at the DMV offices. Interviews were conducted with local law enforcement as well as Johnson County stakeholders to identify specific regional threats to the organizations as well as past instances that had occurred. Additionally, an assessment was made defining vulnerabilities posed by the threats identified unique to each location to include recommended mitigation alternatives and their related costs. Mitigation methods identified included policy and procedural improvements, Crime Prevention through Environmental Design elements, as well as CCTV, intrusion detection, and access control.

Burns & McDonnell conducted site specific training on work place violence, updated policies and procedures, and use and implementation of electronic security measures. Burns & McDonnell is further engaged to conduct periodic audits to ensure adherence to implemented County policies as it relates to safety and security.

At the conclusion of this project Burns & McDonnell provided Johnson County officials a detailed threat, risk, and vulnerability assessment specific to the DMV facilities, recommended mitigation methods for the vulnerabilities identified, and site specific training programs.

### CLIENT REFERENCE

- ▶ Johnson County Kansas
- ▶ Contact:  
Thomas Franzen  
111 S. Cherry Street  
Suite 2400  
Olathe, Kansas 66061  
(913) 715-0541

### PROJECT TEAM

- ▶ PM: Robert J. (RJ) Hope

### SERVICES

- ▶ Physical Security Assessment
- ▶ CCTV, Intrusion Detection, and Access Control System Assessment
- ▶ Site Specific Training Program
- ▶ Security Change Management

# FIRM QUALIFICATIONS

(continued)

## Kansas City Art Institute

### *Campus Security Assessment*

Burns & McDonnell was engaged by the Kansas City Art Institute to perform an assessment of the physical security program, staffing, policies and technology in use throughout the campus. This assessment included the administrative offices, security operations, student residence and gathering areas, educational classrooms, production facilities and various other building that comprise the campus. The project included qualitative lighting surveys, a review of the security technology in place, policies and procedures, security protective force staff levels, duties and post orders, organizational controls, physical security procedures, the badging, keying and access control systems in place, and the culture and activity of the faculty, staff and student populations.

This project concluded with identification of the appropriate security measures for the campus, the gaps between current security measures in use and those deemed appropriate, and an implementation plan based on priorities. Recommendations from this assessment were presented in report format to provide this client with a security improvement roadmap.



### CLIENT

- ▶ Kansas City Art Institute
- ▶ Contact:  
Laura Snow, VP for Administration  
4415 Warwick Blvd.  
Kansas City, MO 64111  
816.802.3431

### KEY DATES

- ▶ Project Start: July 2016
- ▶ Project Complete: November 2016

### PROJECT TEAM

- ▶ PM: Brandon R. Kehl, CPP
- ▶ Physical Security Lead: Kevin Whaley
- ▶ Security Technology Lead: Terry Harless, RJ Hope, Michael Monahan

### SERVICES

- ▶ Campus Physical Security Assessment
- ▶ Campus Security Staffing Evaluation
- ▶ Campus Security Technology Review



# FIRM QUALIFICATIONS

(continued)

Burns & McDonnell Engineering Company



## Experience Matrix Security Services Projects

Security Master Planning	Corporate Security Planning	Physical Security Assessments	Guard Force Evaluation	Threat, Risk, and Consequence Evaluation	Electronic Security Systems	Security Project Management	NERC/CIP	IFATS
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Client Name	Project Name	Security Master Planning	Corporate Security Planning	Physical Security Assessments	Guard Force Evaluation	Threat, Risk, and Consequence Evaluation	Electronic Security Systems	Security Project Management	NERC/CIP	IFATS
City of Macerelle, Illinois	City Infrastructure			•		•	•			
Northwest Suburban Municipal Joint Action Water Agency	City Infrastructure			•		•	•			
Knoxville Utilities Board - Knoxville, Tennessee	City Infrastructure			•		•	•			
City of Springfield, Illinois - City, Water, Light and Power	City Infrastructure			•		•	•			
City of Rolling Meadows, Illinois	City Infrastructure			•		•	•			
City of Addison, Illinois	City Infrastructure			•		•	•			
City of Elmhurst, Illinois	City Infrastructure			•		•	•			
City of Oak Brook, Illinois	City Infrastructure			•		•	•			
Village of Downers Grove, Illinois	City Infrastructure			•		•	•			
City of Villa Park, Illinois	City Infrastructure			•		•	•			
Village of Northfield, Illinois	City Infrastructure			•		•	•			
City of Liberty, Missouri	City Infrastructure			•		•	•			
City of Olathe, Kansas	City Infrastructure			•		•	•			
City of Bolivar, Missouri	City Infrastructure			•		•	•			
Wind Lake Conservancy District	City Infrastructure			•		•	•			
City of Chattanooga, Tennessee	City Infrastructure	•	•	•	•	•	•			•
ERG	Power Generation/Delivery		•	•		•	•		•	
WSP	Power Generation/Delivery		•	•		•	•		•	
McAmerican	Power Generation/Delivery		•	•		•	•		•	
Emery	Power Generation/Delivery		•	•		•	•		•	
NextEra Energy	Power Generation/Delivery		•	•		•	•	•	•	
PL	Power Generation/Delivery	•	•	•		•	•	•	•	
EI	Power Generation/Delivery		•	•		•	•		•	
Travis	Power Generation/Delivery		•	•		•	•		•	
Mountain Power and Water	Power Generation/Delivery		•	•		•	•		•	
WSE&G	Power Generation/Delivery		•	•		•	•		•	
Westar	Power Generation/Delivery		•	•		•	•		•	
Kansas City Power and Light	Power Generation/Delivery		•	•		•	•	•	•	
Urbanik Water and Power	Power Generation/Delivery	•	•	•	•	•	•	•	•	

# FIRM QUALIFICATIONS

(continued)

Burns & McDonnell Engineering Company



## Experience Matrix Security Services Projects

Security Master Planning	Corporate Security Planning	Physical Security Assessments	Surat Force Evaluation	Threat, Risk, and Consequence Evaluation	Electronic Security Systems	Security Project Management	NERC/CIP	FAIS
--------------------------	-----------------------------	-------------------------------	------------------------	--	-----------------------------	-----------------------------	----------	------

Client Name	Project Name	Security Master Planning	Corporate Security Planning	Physical Security Assessments	Surat Force Evaluation	Threat, Risk, and Consequence Evaluation	Electronic Security Systems	Security Project Management	NERC/CIP	FAIS
EPRI	Power Generation/Delivery	•	•	•			•	•	•	
Midland Lockmerston Venture	Power Generation/Delivery		•	•			•		•	
Laramie Water & Power	Power Generation/Delivery		•	•			•		•	
Indiana Power Generation	Power Generation/Delivery		•	•			•		•	
Clark Hills Corporation	Power Generation/Delivery		•	•	•		•	•	•	
City of Jamestown, New York Board of Public Utilities	Power Generation/Delivery	•	•	•			•	•	•	•
U.S. Roberts and Company	Critical Services	•	•	•		•	•			•
Atlanta, North America	Critical Services		•	•		•	•			•
Rockville, North America	Critical Services	•	•	•	•	•	•	•		•
US Pentagon	Critical Services			•			•	•		
US Army Corps of Engineers	Critical Services			•			•	•		
Wardlaw Regional Medical Center	Critical Services	•	•	•	•	•	•	•		•
City of Dallas, Texas	Critical Services		•	•	•	•	•	•		
Qatar National Convention Center	Security Abroad			•		•	•			
Qatar Student Life and Housing	Security Abroad			•		•	•			
Mandarin Oriental Hotel - Doha, Qatar	Security Abroad			•		•	•			
East Museum of Art	Security Abroad			•		•	•			
College of Media and Communications, Qatar	Security Abroad			•		•	•			
Emirates Airline - Dubai	Security Abroad			•		•	•			

# UNDERSTANDING OF AND APPROACH TO THE PROJECT

## GENERAL

Burns & McDonnell has assembled a team of specialists with operational knowledge of each functional area to minimize project time and produce congruent recommendations. The Burns & McDonnell team is 100% vendor agnostic, and will make recommendations based on the specific goals and needs of Rancho Murieta (the District) as identified through the assessment process. This project will be performed in the following phases:

- ▶ An initial assessment of the District's Security Department's operational and administrative organization and structure
- ▶ Identify possible improvements to optimize the Security Department's operational and administrative procedures
- ▶ Identify areas for improvement for video surveillance and develop an applicable strategy to create a force multiplier utilizing video surveillance technology.
- ▶ Develop a conceptual camera layout strategy for the video surveillance system while understanding the available IT infrastructure to support optimal operation

Burns & McDonnell understands the importance of providing security plans that are both operationally accurate and actionable to meet established levels of security protection within established financial constraints. By incorporating information early in a format applicable for discussion, stakeholders can take part in the planning process to ensure security levels are commensurate with the District's and overall system expectations.

## Benefits of Partnering with Burns & McDonnell

The overall goal of this project is to create a safe and secure environment for the citizens of the District by improving the effectiveness and efficiency of the Security Department. Secondary goals include providing the Security Department with the ability to assess security incidents through camera and other technologies in order to determine and initiate the appropriate response.

- ▶ ***The District can leverage our direct experience***, which includes assessment, design, and implementation projects on similar projects, including multi-facility technology plans. The knowledge and flexible capacity of 5,300 industry professionals provides the District with the resources necessary to execute this project within stated project timelines, and continue to serve and protect a growing population.
- ▶ ***The District can continue to provide dynamic organizational leadership and change consistent with the growth of the city***. Our board-certified, published professionals are recognized industry leaders, well versed in current security technology advances, and disciplines relevant to the specific circumstances of your project.
- ▶ ***The District can continue to provide high quality services that are safe, efficient and effective***. With no affiliation to manufacturers, distributors, installation, or sales firms – we are vendor and solution agnostic to focus solely on solutions that meet your requirements. The District can leverage this innovative mindset to select a video surveillance system that incorporates the latest technology advances relevant to your needs. With this approach, the District can best enhance the safety and security of existing assets while providing for future expansion. Hence, the District will be well positioned to continue to meet important commitments to the safety of its growing community.
- ▶ ***We fully support the commitment of The District to provide a safe and secure environment for its citizens***. You can count on receiving the same exceptional client service that has led PSMJ Resources (PSMJ) to select Burns & McDonnell for the Premier Award for Client Satisfaction for six consecutive years.





# UNDERSTANDING OF AND APPROACH TO THE PROJECT

(continued)

## Methodology and Approach

This project will gather and examine data from several sources to be incorporated into the decision making process for the establishment of the security plan that will apply to the District. Burns & McDonnell uses a basic methodology which employs the following flow:



This framework provides a structured methodology for:

- ▶ Assessing previous studies, existing documentation and listening to stakeholders
- ▶ Evaluating potential risks associated with the District
- ▶ Documenting the present and future needs that will dictate selection of options
- ▶ Generating standards for design and equipment by category and by functional area
- ▶ Creation of actionable security improvement recommendations and a plan for implementation
- ▶ Implementation assistance, including acting as owners-engineer as needed

### ***Project Approach (Methodology Overview)***

Burns & McDonnell will begin by facilitating a kick-off meeting with Rancho Murieta project staff and stakeholders. At the meeting, the scope, goals and expectations, schedule, and administrative topics will be discussed. Data collection will begin at this meeting, as a list of data desired to support the execution of the task order will be sent prior to the meeting. The kickoff meeting will also include discussion of staff that will need to be interviewed by Burns & McDonnell to establish an understanding of the existing plans and security strategy, as well as present and future needs. Through this meeting with project staff, Burns & McDonnell will develop an understanding of each component of the Security Department and surveillance system, the mission of the safety and security team, and special considerations to be considered and incorporated.

Burns & McDonnell will also seek to identify the overall short and long term goals of the safety and security program district-wide. At this meeting the team will have discussions regarding current and planned response capabilities as well as understood community expectations. This strategy discussion will guide the team in option selection later in the project. Burns & McDonnell understands that a security strategy can change based on the area and its use, and those changes in strategy can greatly affect mitigation option recommendation and selection.

### ***Phase 1: Security Department***

Burns & McDonnell will coordinate a dedicated workshop to understand the District's expectations of the Security Department. In this workshop, the team will also seek to identify the present mechanisms in place for measuring the success of failure of the security department components, including candid discussions regarding current capabilities and responsibilities.

# UNDERSTANDING OF AND APPROACH TO THE PROJECT

(continued)

The strategies identified in this workshop will assist in guiding the remainder of the department review by allowing comparison between the desired protective environment and the actual capabilities within the existing program, then developing recommendations that are congruent with the District's environment.

## Security Program Inventory

Burns & McDonnell will develop an inventory of protective measures that details the various systems and protocols in place (e.g. security staff, operational capabilities) and develop findings on how the various protective measures are utilized. This inventory will be developed through a review of existing as-built security program documents, schedules, city maps, and operating procedures.

## Policy and Procedure Review

Burns & McDonnell will conduct a review of existing security program policies and procedures. Burns & McDonnell will seek to determine whether the existing Rancho Murieta documents adhere to minimum standards and best practices in the industry.

Burns & McDonnell will list policies and procedures currently in place at the District – identifying whether each is current, needs to be updated, or replaced, then identify areas where policies and procedures need to be created to close gaps that are identified.

## ***Phase 2: Video Surveillance System Assessment***

Burns & McDonnell will conduct an evaluation of the existing video surveillance system strategy in place for the District. This will include a review of the current locations of any video surveillance cameras, software, and IT infrastructure and system capabilities. This will also include site assessments of the locations where the District currently uses video surveillance cameras as well as desired locations where the devices will be installed.

## Surveillance System Identification

Burns & McDonnell will identify the current components that compromise the video surveillance system, develop findings on how the system is utilized, and evaluate what needs to be added. This inventory will be developed based on information requests prior to the project kick-off meeting. Meetings with stakeholders will also be held to understand the current capabilities of the District's IT network and its ability to support the proposed video surveillance system. This will allow the Burns & McDonnell team to understand the expectations of the District for the camera system and develop recommendations to meet those needs while staying within budget.

## Policy and Procedure Review

Burns & McDonnell will review the current video surveillance system use and whether each component supports optimal operation of the system, as well as the desired capabilities and use of the system. Based on this review, recommendations will be developed that identify which policies and procedures need to be updated, replaced, or added.

## Surveillance System Layout Design

Burns & McDonnell will review planned developments within the District as well as conduct site visits to deliver a phased implementation plan for the deployment of the new video surveillance system based on a mutual understanding of the District's areas of concern, services to be provided and other special considerations at each location. This conceptual plan



# UNDERSTANDING OF AND APPROACH TO THE PROJECT

(continued)

will include associated costs, type, placement, data storage, and supporting IT requirements to optimize the operational capabilities.

## ***Mitigation Recommendation Development***

The Burns & McDonnell team will identify recommendations for mitigating any gaps documented when comparing existing conditions to the standards identified or developed. Mitigation options will include the following:

- ▶ Security program enhancements
- ▶ Policy and procedural
- ▶ Video Surveillance devices, strategy development, system selection, design, and integration
- ▶ Central monitoring capabilities and analysis
- ▶ Rough order of magnitude and system schedule estimates

## **Mitigation Option Identification**

Burns & McDonnell will provide a list of mitigation options that have the highest probability of mitigating identified gaps (or risks) while supporting the identified safety and security strategies.

Specific recommendations will be prioritized utilizing the existing infrastructure (e.g. cabling and devices) where possible to reduce capital costs for improvements, but costs will be identified based on life-cycle impact.

As a follow on engagement if desired, Burns & McDonnell will create, or provide support in the creation of detailed design drawings of proposed improvements (e.g. video surveillance system and devices). This conceptual layout will identify device locations and include a narrative as to how this particular configuration will support the security strategy for both the District and the specific needs of each location. This conceptual design of proposed improvements will be provided to the District project team for review and comment. Comments will be addressed and conceptual drawings updated as applicable.

## ***Implementation Assistance (if option is exercised)***

Burns & McDonnell will support implementation by acting in the capacity of Owners-Engineer. Burns & McDonnell will create vendor agnostic specification documents that identify firm requirements for technology vendors to attain and will support the appropriate department by reviewing submitted bids for conformance.

Burns & McDonnell can also support implementation including installation (construction) management, system commissioning and staff training.

## ***Deliverables***

Through the course of this project, Burns & McDonnell will provide a report describing:

- ▶ The existing conditions at each of the included locations as well as district wide.
- ▶ Recommendations for operational and/or organizational improvements based on best practices of similar sized institutions which will address the current and future needs of the District.
- ▶ Recommendations that include three (3) options for a video surveillance strategy that will identify optimal camera placement, types, and the IT infrastructure required to allow for efficient operation while giving the District the ability to expand the system based on the future needs while maintaining a system within budget.

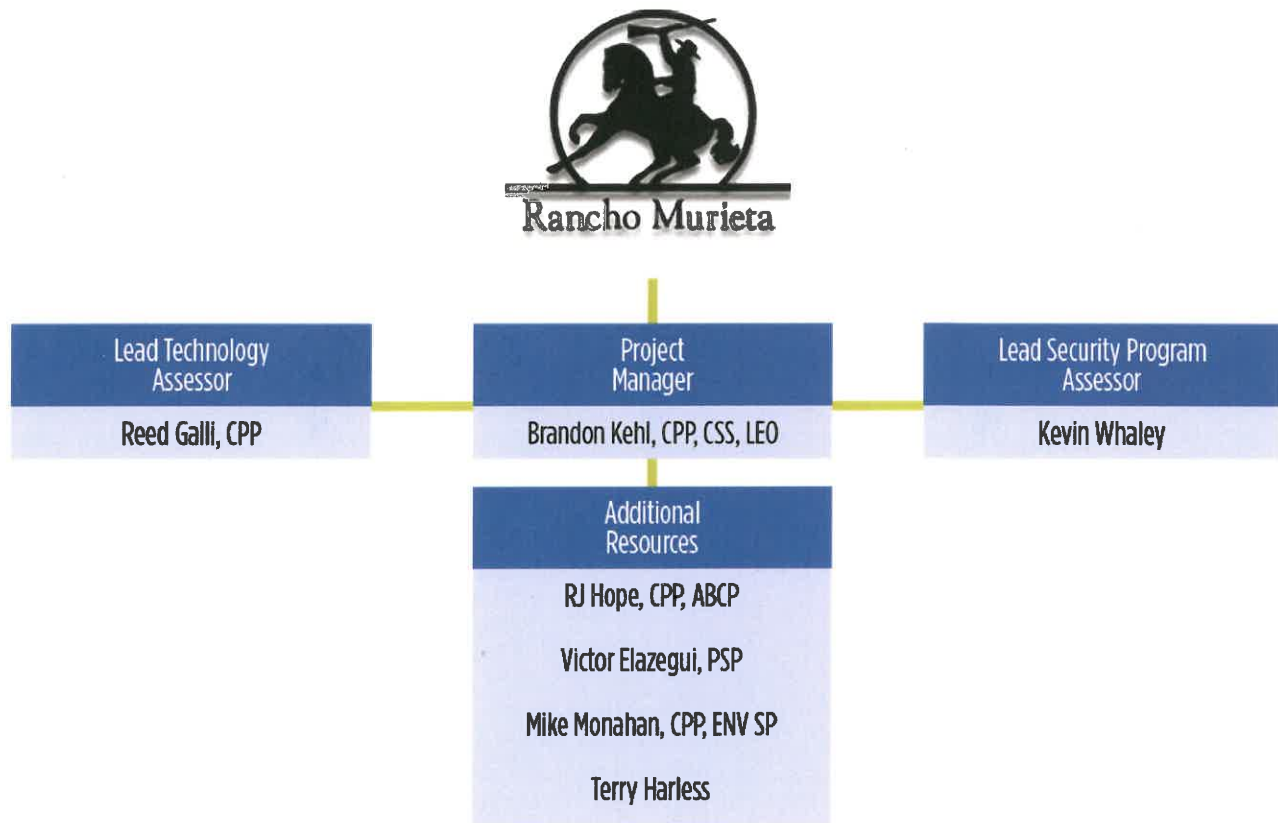


# UNDERSTANDING OF AND APPROACH TO THE PROJECT

(continued)

- ▶ Implementation recommendations including itemized (order of magnitude) costs, estimated construction or installation timeframes, and support (maintenance, integration, system training, etc.) identified improvement requirements for existing and future designs. This will also include the framework necessary to give the District the ability
- ▶ Known or identified barriers to success.

## Description of Organization and Staffing



## Level of Participation

Burns & McDonnell will require the District to provide personnel that will be able to accompany the Burns & McDonnell consulting team during site visits. District personnel will also be needed for interviews in order to answer questions to help the Burns & McDonnell team to better understand the current capabilities, needs and expectations of the security program.

## Proposed Schedule

Burns & McDonnell believes that the desired project timeline is achievable with the coordination of the District and project staff, and anticipates scheduling the kick-off meeting and site visits as soon as mutual contract is executed. In consideration

# UNDERSTANDING OF AND APPROACH TO THE PROJECT

(continued)

of the timeframe, Burns & McDonnell will invoice monthly based on the percentage complete. Burns & McDonnell anticipates the following project progression in order to deliver a final report on or before March 17<sup>th</sup>, 2017.



# UNDERSTANDING OF AND APPROACH TO THE PROJECT

(continued)

## Exceptions and Clarifications

### Terms & Conditions

Burns & McDonnell has reviewed the Rancho Murieta Community Services District's Standard Services Agreement for the proposed Security Department Assessment & District CCTV Strategy, and we agree that such terms and conditions, subject to final negotiation of project-specific terms upon award of this project to Burns & McDonnell, can be the basis for mutual agreement. In general, Burns & McDonnell seeks a fair, mutually beneficial Agreement which embodies the following concepts:

1. Standard industry warranties to remedy defective work.
2. An appropriate aggregate monetary cap on Burns & McDonnell's liability to the client.
3. A mutual waiver of consequential damages.
4. Clarification on the Indemnification provision.
5. Insurance types and limits appropriate for the scope of work, along with a mutual waiver of subrogation with respect to property insurance.

We look forward to the opportunity to discuss these items with the District after the selection process is complete.





# CERTIFICATE OF LIABILITY INSURANCE

12/1/2016

DATE (MM/DD/YYYY)

4/29/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Lockton Companies 444 W. 47th Street, Suite 900 Kansas City MO 64112-1906 (816) 960-9000	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> _____	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> 1334906 BURNS & MCDONNELL ENGINEERING COMPANY, INC. ATTN: LYNDA LEVAN PO BOX 419173 KANSAS CITY MO 64141-6173 HANKEL, LEANN	<b>INSURER A:</b> Liberty Mutual Fire Insurance Company <b>NAIC #</b> 23035	
	<b>INSURER B:</b> Westchester Fire Insurance Company <b>10030</b>	
	<b>INSURER C:</b> Zurich American Insurance Company <b>16535</b>	
	<b>INSURER D:</b> _____	
	<b>INSURER E:</b> _____	
<b>INSURER F:</b> _____		

**COVERAGES \* CERTIFICATE NUMBER: 11076224 REVISION NUMBER: XXXXXXXX**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____	N	N	TB2-641-432888-035	12/1/2015	12/1/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	N	N	AS2-641-432888-045	12/1/2015	12/1/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____	N	N	G21986410011	12/1/2015	12/1/2016	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ XXXXXXXX
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) if yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC2-641-432888-015	12/1/2015	12/1/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	PROFESSIONAL LIABILITY	N	N	EOC9140546	12/1/2015	12/1/2016	\$5,000,000 PER CLAIM; \$5,000,000 AGGREGATE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER**

11076224  
 FOR INFORMATIONAL PURPOSES  
 KS

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Joseph M. Agnello*

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# BRANDON R. KEHL, CPP, CSS, LEO

## Project Manager

Brandon serves as a senior physical security consultant and assessor for Burns & McDonnell. Brandon brings over 16 years of experience providing strategic leadership and counsel in all areas of physical security and safety for public and private organizations. Brandon specializes in comprehensive security strategies, including policies, procedures, and security awareness programs, all customized towards the business and regulatory needs specific to his clients. Brandon is very experienced in the designing, developing, and implementing of physical security initiatives to mitigate risks for public, private, and government sector clients. Brandon has authored many physical security policies, procedures, and security manuals throughout his professional career. Brandon provides excellent counsel in the following areas:

### Threat, Risk, Vulnerability, and Security Assessments

Brandon has successfully facilitated threat, risk, and vulnerability assessments for many clients. Brandon will identify specific local, regional, or nationwide threats to your business, and then determine the risk of these threats to your operations. Once the risk is determined, Brandon will assess your vulnerabilities to these risks and provide mitigation strategies to protect your business from such risks.

### Security Protocol & Procedure Documentation

Brandon has extensive experience in writing guidelines and procedures applicable to facility security. He has authored master policy and procedure manuals for police departments, lesson plans for a number of courses, as well as security guard site instructions for numerous clients in a variety of industries.

### Emergency Planning & Management

Brandon's emergency management background includes many years of sworn law enforcement, including chief executive positions with two agencies. He has successfully developed emergency response plans, emergency operations manuals, crisis management plans, and incident command plans for multiple agencies.

### Physical Protection Principal Integration

Brandon has incorporated security practices of protection in-depth strategies, crime prevention through environmental design (CPTED), CCTV surveillance systems, intrusion detection systems, access control systems, lock & key control programs, communication systems, and backup power systems in his physical security design work.

### Protective and Response Force Operations

Brandon has personally managed armed and unarmed protective force operations, central monitoring operations, and first responder programs. He is a proven facilitator of classroom training for protective force officers and certified police and security instructor in several disciplines. As the chief executive of a law enforcement agency, Brandon has established and evaluated protective force agencies from both a security and police response perspective.

## EDUCATION

- ▶ BS, Criminal Justice

## REGISTRATIONS

- ▶ CPP- ASIS
- ▶ CSS- IFPO
- ▶ Commissioned Law Enforcement Executive
- ▶ Instructor-Trainer, Various Disciplines
- ▶ Adjunct Instructor- Midwest Law Enforcement Training Solutions

**6** YEARS WITH BURNS & MCDONNELL

**16** YEARS OF EXPERIENCE





# BRANDON R. KEHL, CPP, CSS, LEO

(continued)

## Procurement Management

Brandon has been responsible for leading and managing time sensitive deliverable- based projects that help customers address strategic goals within the security procurement process. He has crafted and deployed optimal transactional procurement processes, including process re-engineering and implementation, technology deployment and change management.

## Security Master Plan | County of Berks, Pennsylvania

Reading, Pennsylvania | 2015-Ongoing

Brandon is the project manager for a county-wide security assessment and Security Master Plan project for Berks County, Pennsylvania. This project includes the County's main courthouse facilities as well as dozens of buildings that are a part of the County's organization. Brandon will develop a Security Master Plan that guides security decision making in the future for the County. This project involves the hosting workshops, fostering organizational buy-in, development of improvements based on an on-the-ground assessment of current conditions and prioritization as well as a defined implementation schedule.

## Security Assessment, Co-located Data Center Facility | Confidential Client

Columbia, Missouri | 2015

Brandon is conducting a security assessment of a colocation facility in Columbia, Missouri. This project includes the evaluation of security systems, alarms, and vulnerabilities to the overall operability at the center. Due to the need for varied client access to this co-located facility, security recommendations were developed to assist the owner in protecting the site from internal as well as external threats.

## Substation Protection Assessment CIP-014 | Oncor Electric Delivery

Dallas/Ft. Worth, Texas | 2014-Ongoing

Brandon is conducting assessments of the security features, controls, and technology at critical substations located in both rural and urban areas in Texas in advance of the effective date of CIP-014-01. This project seeks to identify whether the existing security program is sufficient to protect critical equipment against attack based on recent events in other areas of the nation. The project concludes with a report of findings on what substation security protections would be necessary to protect against these threats, as well as recommendations to close any general physical security issues that were identified during the study.

## Security and Threat Assessments | Confidential Client

Northwest USA | 2014-Ongoing

Brandon conducted an assessment of three generation plants in the northwest part of the USA. This project included an in-depth threat assessment of a radical environmental group in order to assist the client in developing an appropriate security strategy for the sites. Workshops were held with Corporate Security to walk through threat assessment findings, site specifics and develop mitigation options congruent with the improved security posture desired.

## Substation Protection Assessment | ITC Holdings

Michigan | 2014- Ongoing

Brandon participated as a senior physical security consultant in an assessment of the security features, controls, and technology at critical substations located in both rural and urban areas in Michigan in advance of the effective date of CIP-



# BRANDON R. KEHL, CPP, CSS, LEO

(continued)

014. This project seeks to identify whether the existing security program is sufficient to protect critical equipment against nine pre-defined types of attack (shooting, sabotage, etc.), based on recent events in other areas of the nation. The project concludes with a report of findings on what substation security protections would be necessary to protect against these threats, as well as recommendations to close any general physical security issues that were identified during the study.

## Security Master Plan | University of Utah

Salt Lake City, Utah | 2013-Ongoing

Brandon is engaged in a security Master Planning project for the University of Utah. This project includes the facilities that make up the University's main campus as well as the hospitals, research arms, and data center of the University's organization. Phase 1 of this project included the development of a structured methodology to a security master plan project with the intent of developing an organization wide security master plan for use moving forward in Phase 2. Brandon will next develop a 1-2-5-10 year draft Master Security Plan to guide security decision making in the future for the University. This project involves the hosting workshops, fostering organizational buy-in, development of improvements based on an on-the-ground assessment of current conditions and prioritization as well as a defined implementation schedule. Burns & McDonnell is providing services in this engagement in team with Communa Technologies.

## Substation Protection Benchmarking | Confidential Client

Northeast USA | 2013-Ongoing

Brandon is participating in a project that includes security technology benchmarking survey of several critical substations in a metropolitan area in the Northeast part of the USA. This project seeks to identify whether existing security technologies are sufficient to protect the infrastructure of specific equipment against a specific type of attack, based on recent events in other areas of the nation. This project will conclude with a report of findings on how the substation security protections compare and contrast against industry standards and similar sites from previous studies, and whether the technologies in place will protect the specific substations against direct or gunfire based vandalism, as well as recommendations to close any gaps between the assessed needs and the evaluation of current and emerging technologies in place.

## Threat, Risk, and Security Assessment | Confidential Client

Northeast USA | 2013-Ongoing

Brandon is participating in a threat, risk, and security assessment of the administrative offices and operations center of large electrical and gas utility in the Northeast part of the USA. As part of a team of consultants, he conducted a threat and risk assessment and is identifying mitigation recommendations for several security concerns that were noted. This project includes the evaluation of policies and procedures, current practices, and the security structure for adherence to industry standards and regulatory requirements, the recommendation of mitigation methods, and evaluation of the compliance of the constructed facility to design and security standards.

## Threat Assessment & Design Standards | City of Raleigh CPSF

Raleigh, North Carolina | 2012-Ongoing

Brandon participated in a security and threat assessment of the site and proposed new Critical Public Safety Facility in Raleigh, North Carolina. He conducted interviews with public safety officials, assisted in coordinating a risk / consequence workshop, conducted a threat and vulnerability assessment, and is drafting security design criteria for the proposed facility. This project continues with the evaluation of design drafts for compliance with design criteria and security standards, the





# BRANDON R. KEHL, CPP, CSS, LEO

(continued)

recommendation of mitigation methods, and evaluation of the compliance of the constructed facility to design and security standards.

## **Security Assessment | Security Benefit Corporation**

Topeka, Kansas | 2013- Ongoing

Brandon is conducting a security assessment of the corporate headquarters of Security Benefit in Topeka, Kansas. This project includes the evaluation of security systems, policies and procedures, current practices, and the organizational structure for compliance with security standards, as well as the development of recommendations to close any gaps identified.

## **Security Assessment, (Healthcare) Data Center | Confidential Client**

Salina, Kansas | 2013

Brandon is conducted a security assessment of the offsite data center of a healthcare client in Salina, Kansas in response to unauthorized access to the facility. This project involved the evaluation of security technology, policies, procedures and practices, as well as the development of recommendations to assist the organization in reducing the likelihood or impact of similar incidents.

## **Security Assessment, Co-located Data Center Facility | Confidential Client**

Topeka, Kansas | 2013

Brandon conducted a security assessment of a colocation facility being developed in Topeka, Kansas. This project included the evaluation of security systems, alarms, and vulnerabilities to the overall operability at the center. Due to the need for varied client access to this co-located facility, security recommendations were developed to assist the owner in protecting the site from internal as well as external threats.

## **Security Assessment | Kiewit HQ, Administration & Data Center**

Omaha, Nebraska | 2013

Brandon conducted a security assessment of the Kiewit corporate headquarters and associated facilities located in Omaha, NE. This project was an evaluation of the current security posture and deployed security measures. A sampling of representative facilities were assessed in the Omaha area to provide a general benchmark of the local security posture, technology in use, and organizational methodology for device placement. Brandon provided Kiewit a recommendations report highlighting security related findings and observations. The report detailed alternatives for an improvement plan to address Kiewit security needs from organizational, policy and procedural, and a technological perspective.

## **Security Organizational Assessment | KC Board of Public Utilities**

Kansas City, Kansas | 2012-Ongoing

Brandon is conducting a review of the mission and goals, organizational structure, assigned tasks and contract security providers for the Board of Public Utilities. He conducted interviews of senior staff and presented findings related to security management, policies, and practices. This project continues with a security and vulnerability assessment, the coordination of security measures across the utility, and a gap analysis and the development of policies, procedures, and practices.



# BRANDON R. KEHL, CPP, CSS, LEO

(continued)

## Physical Security Regulatory Compliance | Florida Power and Light

Florida Locations | 2012

Brandon participated in a team based inventory of physical security measures and the analysis and walk down of multiple facilities related to the regulatory compliance mandated for this industry by the North American Electric Reliability Corporation (NERC). Brandon updated and provided draft layouts and diagrams, identified security measures in place, interfaced with clients and reported on findings. The information gathered in this project will be later used to develop compliance procedures and controls for upcoming NERC regulatory changes and updates.

## Physical Security Compliance Inventory | Florida Power and Light

Florida Locations | 2012

Brandon participated in a team based inventory of physical security measures and the analysis and walk down of multiple facilities related to the regulatory compliance mandated for this industry by the North American Electric Reliability Corporation (NERC). Brandon updated and provided draft layouts and diagrams, identified security measures in place, interfaced with clients and reported on findings. The information gathered in this project will be later used to develop compliance procedures and controls for upcoming NERC regulatory changes and updates.

## Security Consulting Services | Defense Logistics Agency

Harrisburg, Pennsylvania | 2012

Brandon participated in a value engineering project, evaluating security infrastructure, hazard mitigation, and project efficiency for the Defense Logistics Agency's "Access Control Points" project. He conducted a review of relevant policies and procedures and authored recommendations where gaps occurred or where efficiencies could be obtained and provided alternate recommendations for specialized circumstances. Brandon provided valued input and presented to stakeholders ranging from the Defense Logistics Agency Police to the engineering design team for the project.

## Chemical Security Regulatory Compliance | Covidien

St. Louis, Missouri | 2011- Ongoing

Brandon conducted a review of relevant security policies and procedures to identify where gaps in compliance or security were likely to occur. He developed policies and procedures and specifically authored security policies to ensure compliance with CFATS and security guidelines. Brandon coordinated draft reviews and policy implementation with security managers and developed a training program to be deployed on the new procedures.

## Security Assessment and Master Plan | Chattanooga Water / Wastewater

Chattanooga, Tennessee | 2012

Brandon worked on a team assigned to evaluate and identify risk and vulnerability information for the Chattanooga Water and Wastewater systems. Brandon developed an automated priority analysis tool used to determine the priority of various facility locations based on criticality and potential impact.

## Threat & Risk Assessment | Mandarin Hotel Qatar

Doha, Qatar | 2012

Brandon conducted a quality review of threat and risk analyses conducted by Burns & McDonnell's Global Security Services team. Brandon evaluated the draft and final TaRA reports for completeness, accuracy, and consistency with recorded



# BRANDON R. KEHL, CPP, CSS, LEO

(continued)

information, provided feedback on topics discussed, and coordinated with the project manager. As a part of the quality review, Brandon ensured that the presented recommendations were consistent with applicable security standards and guidelines.

## Security Assessment and Mitigation | Jamestown Board of Public Utilities

Jamestown, New York | 2012

Brandon conducted a quality review of threat, risk, vulnerability, and security analyses conducted by Burns & McDonnell's Global Security Services team as a part of a larger Integrated Resources Project. Brandon evaluated the draft and final Threat, Risk, Vulnerability, and Security portions of the report for completeness, accuracy, and consistency with recorded information. As a part of the quality review, Brandon ensured that the presented recommendations were consistent with applicable security standards and guidelines.

## Security Consulting Services | United States Pentagon

Arlington, Virginia | 2011

Brandon participated in a value engineering project, evaluating security infrastructure, hazard mitigation, and project efficiency for the Pentagon's "4 Access Control Points" project. He conducted a review of relevant policies and procedures and authored recommendations where gaps occurred or where efficiencies could be obtained. Brandon provided valued input and presented to stakeholders ranging from the Pentagon Force Protection Agency to the engineering design team for the project.

## Chemical Security Regulatory Compliance | GS Robins

St. Louis, Missouri | 2011

Brandon conducted a review of relevant security policies and procedures to identify where gaps in compliance or security were likely to occur. He developed a policy and procedure manual specifically authoring security policies to ensure compliance with CFATS and security guidelines. Brandon coordinated draft reviews and policy implementation with department managers and conducted training on the new procedures.

## Security Assessment | Johnson County Motor Vehicles

Johnson County, Kansas | 2011

Brandon conducted a security and vulnerability assessment of the properties and evaluated security infrastructure and hazard mitigation. He conducted a review of relevant policies and procedures and authored procedures where gaps occurred. Brandon evaluated overall security awareness and the Johnson County Motor Vehicles Workplace Violence plan. He conducted training on Security Awareness and How to Respond to an Active Shooter.

## Security Analysis | Ft. Calhoun Nuclear Station

Ft. Calhoun, Nebraska | 2011

Brandon worked with to locate potential vulnerabilities at Unattended Openings, both above ground and subterranean, that provided access into the facility. Brandon also worked to ensure that mitigation measures were congruent with the Nuclear Regulatory Commission (NRC) standards. All work on this project was subject to NRC Safeguards.



# BRANDON R. KEHL, CPP, CSS, LEO

(continued)

## **Publications and Papers:**

*The Value of Independent Security Assessments*, presented at ASIS International Security Technology Conference in Kansas City, June 2015

*A Real World Guide to Mass Notification Requirements*, presented at Business Security Conference in Green Bay, WI, 2014

*Security Offsite – Protecting Workers*, presented at IAHS Annual Conference in Myrtle Beach, FL, 2013

*Developing a Security Awareness Program*, presented at IAHS Annual Conference in San Diego, CA, 2014

*New Security Manager's Toolkit*, presented at IAHS Council on Education project, 2013-2016

*Basic Security Officer's Manual*, presented at IAHS Council on Education project, 2013-2016

*Advanced Security Officer's Manual*, presented at IAHS Council on Education project, 2013-2016

*Security Supervisor's Manual*, presented at IAHS Council on Education project, 2013-2016

*Developing a Response Plan for Armed Violent Intruder Incidents*, presented at various venues, e.g. Missouri Society of Professional Engineers, 2013-2016



# REED D. GALLI, CPP

## Lead Technology Assessor

Reed is a senior physical security specialist for Burns & McDonnell. Reed brings over 14 years of experience in physical security consulting in both the public and public sectors. Reed has extensive experience in electronic security deployments including access control, IDS, and video surveillance. Reed has project management experience for security installations in a variety of facilities including higher education, athletic stadiums, libraries, research labs, electrical substations, call centers, Class A office buildings, data centers and electric utility substations.

### NERC CIP-014-2 Third Party Review (R6) | Florida Power & Light Company

Juno Beach, Florida | 2016-Ongoing

Reed was contracted by Florida Power & Light (FPL) to provide a third party review of FPL's security assessments and security plans in accordance with Requirement R6 of the NERC CIP-014-2 regulation. After site visits, Reed assisted in writing a comprehensive report which included additional recommendations in physical security in regards to policy, access control and electronic security

### Substation Protection Assessment CIP-014 | SDG&E

San Diego, California | 2016-Ongoing

Reed is currently serving on the physical security assessment team evaluating the security features, controls, and technology at critical gas and electrical sites located in California in advance for CIP-014. This project includes the physical security evaluation of substations, natural gas sites, grid operations, and corporate facilities. The security evaluation of these critical sites will also consist of a comprehensive threat and vulnerability assessment that provides appropriate physical security protection measures to assist in the mitigation of identified threat vectors.

### Substation Protection Assessment & Implementation CIP-014 Pilot Project\* | Southern Company

Atlanta, Georgia | 2014-2015

Reed served as the Physical Security Project Manager where he recommended and designed the security systems for CIP-014 qualified substations. These systems integrated ground base radar IDS into the existing video surveillance system and the fence perimeter protection system into existing IDS system. These systems were monitored in a central location based upon testing and evaluation these systems were deployed at CIP-014 substations throughout Southern Company.

### CIP-006 Physical Security Deployment\* | Georgia Power

Atlanta, Georgia | 2012-2014

Reed served as the Physical Security Project Manager for installing electronic access control, IDS and video surveillance in CIP-006 control houses at thirty substations in Georgia. Reed was instrumental in training security officers in monitoring alarm systems. Reed worked closely with Transmission, IT, and Facilities in finding cost effective physical security solutions which met NERC requirements and Georgia Power standards of operation.

## EDUCATION

- ▶ AAS, Electronics
- ▶ BS, Hotel Administration
- ▶ MA, Business & Security Administration

## REGISTRATIONS

- ▶ CPP - ASIS
- ▶ Certified Peace Officer (Georgia)
- ▶ FLETC - Physical Security Training

**1** YEAR WITH BURNS & MCDONNELL

**14** YEARS OF EXPERIENCE



# REED D. GALLI, CPP

(continued)

## **Clough Undergraduate Learning Commons\* | Georgia Institute of Technology**

Atlanta, Georgia | 2010-2012

The Clough Commons is an academic building on the campus of the Georgia Institute of Technology. The five-story, 220,000 sq ft building houses classrooms, science laboratories, academic services, commons areas, and is managed by and connected to the Georgia Tech Library. Reed served as the Physical Security Project Manager from design, installation, testing and training of all necessary security systems.

## **Bobby Dodd Football Stadium Video Surveillance\* | Georgia Institute of Technology**

Atlanta, Georgia | 2009-2010

Reed applied for and received a DHS Homeland Security Grant for installing video surveillance for the 55,000 capacity stadium located in Atlanta. Reed was responsible for the entire \$250,000 project and successfully met all DHS requirements. Other college football stadiums used Reed's security plan for game day video surveillance operations.

## **Georgia Tech North Ave Dining Hall\* | Georgia Institute of Technology**

Atlanta, Georgia | 2009-2011

Reed served as the Physical Security Project Manager on the construction of a 20,000 square-foot dining facility, part of a \$10 million renovation the dining hall could seat 300 students including late night operation. Reed worked with facilities and student dining services to ensure the dining hall was secure but also easily accessible to students. Reed was involved in the design of the lighting, door construction, cashier location, access points, parking, electronic access control and panic alarm systems

## **Georgia Tech Security & Safety Committee Member\* | Georgia Institute of Technology**

Atlanta, Georgia | 2008-2011

Reed sat on the Security & Safety Committee with faculty, staff members, and students to address a variety of safety and security concerns. Reed investigated all crime prevention issues and when needed changed policies or installed additional security systems. Reed presented to the committee cost effective solutions with input from all committee members. Reed was recognized on his efforts in receiving a letter of commendation from the President of Georgia Tech.

## **Delta Air Lines New Badging Office Project\* | Delta Air Lines**

Atlanta, Georgia | 2002-2003

Reed assisted in designing the new badging office for Delta Air Lines which served nearly 80,000 employees. Reed was instrumental in choosing all hardware associated with printing ID badges in compliance with FAA regulations. At the same time Reed assisted in upgrading the electronic access control system and video surveillance system at Delta's main corporate campus in Atlanta. This upgrade was in response to hardening the corporate headquarters in response to 911

*\*denotes experience prior to joining Burns & McDonnell*



# KEVIN T. WHALEY

## Lead Security Program Assessor

Kevin currently serves as a physical security specialist with Burns & McDonnell. Kevin brings with him nine years of experience and knowledge in physical security operations and management in the public, private and military sectors. Kevin specializes in conducting threat and vulnerability assessments. He also has extensive experience in planning, designing and implementing new security standard operating procedures for both public and private clients to include corporate and regulatory compliance. Kevin has a thorough understanding of a variety of security technologies including digital video surveillance, intrusion detection systems and access controls and how to best deploy those systems in a wide variety of environments such as commercial, industrial, corporate, and forward deployed military installations.

### Line of Sight and Ballistic Protection Evaluation | PPL EU

Pennsylvania | 2016-Ongoing

Kevin conducted desktop evaluations of existing sites to identify vulnerable line of sight areas to incorporate assigned critical assets in the substation re-design phase. The assessment consisted of the remote analysis of site topography within a predefined area of critical assets and the identification of Limited, Elevated, Critical, and Priority line of sight vantage points. Findings for the evaluation included computer generated (CG) renderings of geographic vantage point locations and recommendations on ballistic protection countermeasures.

### Substation Protection Assessment | SDG&E

San Diego, California | 2015-2016

Kevin is currently serving on the physical security assessment team evaluating the security features, controls, and technology at critical gas and electrical sites located in California in advance for CIP-014. This project includes the physical security evaluation of substations, and corporate facilities. The security evaluation of these critical sites will also consist of a comprehensive threat and vulnerability assessment that provides appropriate physical security protection measures that assist in the mitigation of identified threat vectors.

### Security Strategy Improvement Study | Confidential Client (Nuclear)

2015-2016

Kevin was part of a two person security team that provided the client with several cost saving options including the relocation of access control/inspection points within the Protected Area, re-analyzing blast capabilities to utilize the small vehicle barrier for all design basis threat protection, the establishment of a Quick Reaction Force to optimize security O&M costs and tactical solutions for protected fighting positions. The options provided a more streamline process for getting materials into the PA, more flexibility with operational assignments of the client's responders, and a greater probability of success in Force on Force engagements. The O&M cost savings ranged from \$2 million to \$5 million per year with a return on investment of three to six years.

## EDUCATION

- ▶ B.S. Education
- ▶ M.A. Domestic & International Conflict Resolution

## REGISTRATIONS

- ▶ ASIS International

**1** YEAR WITH BURNS & MCDONNELL

**9** YEARS OF EXPERIENCE

# KEVIN T. WHALEY

(continued)

## Substation Protection Assessment CIP 014 | Portland General Electric

Portland, Oregon | 2016

Kevin was part of the security assessment team conducting a physical security assessment of PGE corporate identified assets to ensure compliance with NERC-CIP-14 standards. This project included conducting a thorough threat and vulnerability assessment of assets. Kevin also assisted in providing a detailed recommendations report to assist PGE with mitigating the vulnerabilities found during the assessment. This assessment assisted in the development of appropriate security countermeasures at various locations and the implementation of security best practices.

## Substation Protection Assessment CIP 014 | Oncor Electric

Dallas, Texas | 2016

Kevin took part in providing a detailed threat and vulnerability assessment and recommendations for the mitigation options for multiple substations for Oncor Electric. Kevin provided analysis of criminal trends in the areas around the substations as well as providing an analysis of current threats by extremist groups in the area.

## Substation Protection Assessment CIP 014 | ITC Holdings Corp

Novi, Michigan | 2016

Kevin took part in providing a detailed threat and vulnerability assessment and recommendations for the mitigation options for multiple substations for ITC. Kevin provided analysis of criminal trends in the areas around the substations as well as providing an analysis of current threats by extremist groups in the area. Kevin also conducted a Line of Sight assessment of ITC critical assets. He provided information detailing vulnerabilities to ballistic attacks up to pre-determined ranges. The information included elevation levels, terrain, avenues of ingress and egress, and probable firing positions by using detailed graphics demonstrating various fields of views. Kevin then provided detailed mitigation options to the client in order to protect those assets.

## Security Master Plan | County of Berks, Pennsylvania

Reading, Pennsylvania | 2015-2016

Kevin served on the security assessment team for the county-wide Security Master Plan projects for Berks County, Pennsylvania. This project included the main courthouse, sheriff's department and dozens of other county facilities. Kevin was involved in assessing the physical security operations and technologies through the evaluation of existing policies and procedures. This project provided a comprehensive enhancement guideline for the County's overall security posture.

## Security Assessment | Memorial Hospital

Belleville, Illinois | 2015

Kevin was part of the security assessment team conducting a physical security assessment of Memorial Hospital's current security posture. Through an on-site assessments and information gathering, Kevin assisted with the analysis of previous security studies, existing regional data, evaluating potential risks, documenting present and future needs of the facility and generating standards for design, and equipment by category and functional area. Kevin was able to assist with the creation of an actionable Security Improvement Plan for Memorial Hospital. The Security Improvement Plan provides recommendations for facility physical security, coordinated integrated security systems, and security technologies.





# KEVIN T. WHALEY

(continued)

## **Security Upgrade | Confidential Client\***

Kansas City, Missouri | 2014-2015

Kevin served as the Project Manager for the implementation of physical and technical security standards in over 1,600 new locations. Kevin developed plans, authored an original detailed installation manual and standards, oversaw and tracked the installation of physical & technological security measures nation-wide. Kevin conducted thorough training and evaluations with the contract security staff, making them subject matter experts with the new security systems and protocols.

## **Security Manager | Security Services\***

Kansas City, Kansas | 2012-2014

While in graduate school at the University of Kansas, Kevin served as a Security Manager for contracted security officers. He evaluated and updated security policies and procedures to include post-orders, and standard operating procedures. He conducted reviews of security personnel and ensured company compliance through regular training.

## **Search and Rescue Operator/AT-FP Specialist | United States Navy\***

Worldwide | 2005-2010

During his time in the Navy, Kevin served as a Search and Rescue Operator and was involved in more than 100 combat rescue missions while deployed overseas. Kevin also served as an Anti-Terrorism-Force Protection Specialist conducting ATFP operations and assessments that included the planning and execution of security operations for civilian and military assets and personnel. Kevin also assisted with the planning and execution of dozens of executive protection operations, ensuring the safety and security of high ranking military and civilian personnel.

*\*denotes experience prior to joining Burns & McDonnell*



# FEES

## PROPOSED FEE

Burns & McDonnell is pleased to provide the Security Department Assessment & District CCTV Strategy services as described in this proposal on an hourly fee plus reimbursable expenses format. Consultant rates are shown below along with the estimated number of consultant hours for each team member.

We have reviewed the requirements contained in the RFP and have established a team of industry specialists to provide the District with independent, responsible and prudent recommendations focused on the goal of planning for a safe, secure, and cost-effective security program.

Name	Title	Hourly Rate	Phase 1 Hours (est)	Phase 2 Hours (est)	Total Hours (est)	Total Fees
Brandon Kehl	Project Manager	\$175.00	32	16	48	\$8,400
Reed Galli	Security Systems Lead	\$175.00	32	80	112	\$19,600
Kevin Whaley	Physical Security Lead	\$146.00	80	32	112	\$16,350
<b>Total Estimated Hours/Fee</b>			144	128	272	\$44,350
<i>Additional Resources Available</i>						
Mike Monahan	Senior Physical Security Consultant	\$194.00				
Terry Harless	Senior Security Systems Consultant	\$175.00				
Victor Elazegui	Physical Security Consultant	\$146.00				
RJ Hope	Physical Security Department Manager	\$194.00				

The rates shown in this chart are valid through December 31, 2017 and are exclusive of reimbursable expenses, which will be invoiced without markup. Travel costs for this project are estimated at between \$3-5k, including four consultant trips (PM+2 consultants for project plus PM for testimony).

## MEMORANDUM

Date: December 15, 2016  
To: Board of Directors  
From: Darlene J. Thiel, General Manager and  
Paul Siebensohn, Director of Field Operations  
Subject: Receive and Consider Updates

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### **PARKS COMMITTEE**

Comments from developers on the Parks Operating Guidelines have not yet been provided to the Parks Committee.

### **PENDING AND PROPOSED LAND DEVELOPMENT PROJECTS**

The owners of River View and Murieta Residences East are evaluating moving forward with development of those two (2) parcels. Paul Siebensohn and I met with representatives on December 15, 2016 for preliminary discussion.

### **SOLAR POWER INSTALLATIONS**

#### **Wastewater Treatment Plant Site**

Bockman Woody's subcontractor, Diede Construction, has bored and pulled in the two (2) 4" conduits from Jackson Road to inside the wastewater facility gate and from there to the wastewater plant control room site where a new transformer is to be located. There has not been any word back from SMUD yet as to when they will deliver the new transformer, therefore the project is currently on hold for Bockman Woody to remobilize and complete the electrical connections.

#### **Water Treatment Plant Site**

Construction has begun with Solar City driving in the piers and beginning the assembly for the solar arrays. (Photo.) There was a bit of a hiccup with approval from Sacramento County Permit Office as their plan reviewer said the project cannot begin until the District grants itself an easement to allow the underground electric lines to cross from the solar array parcel onto and through the Water Treatment Plant parcel. As granting an easement to ourselves does not make sense, we are considering a boundary line adjustment to combine the parcels into one, which the plan reviewer was ok with.



#### **12 Inch Force Main Assessment**

We are in the process of sending out soil samples and pipe pieces to be tested, per Kennedy Jenks suggestions, for the force main assessment.



**DATE:** December 8, 2016  
**TO:** All Special District Boards  
**SUBJECT:** **Nominations for Membership on SDAC**

You are cordially invited to nominate a Member of your Board to join the Special District Advisory Committee (SDAC). The purpose of the Committee is to provide Sacramento LAFCo with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC membership of seventeen is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts. SDAC members serve 2 year terms without compensation. Currently there are seven (7) vacant seats for Office "B" on the Committee. New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Special Districts.

SDAC meetings are held quarterly on the fifth Tuesday, or as needed. The SDAC meets at 6:15 PM @ County Administration Center (700 H Street) Sacramento, in Hearing Room #2.

A nomination form is attached. If you wish to nominate a member of your Board, please complete the form and return it to me no later than **Monday, January 30, 2017**.

Please feel free to contact me by email or phone if you have questions about this process.

Sincerely,

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

Donald J. Lockhart, AICP  
Assistant Executive Officer  
(916) 874-2937  
[Donald.Lockhart@SacLAFCo.org](mailto:Donald.Lockhart@SacLAFCo.org)

Enclosure: Nomination Form  
Current Roster



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**SPECIAL DISTRICT ADVISORY COMMITTEE  
Nomination Form**

*Recommendation to the **SDAC Selection Committee***

In accordance with the bylaws of the Special District Advisory Committee, the  
Governing Board of the \_\_\_\_\_ District  
nominates \_\_\_\_\_ (Board Member)  
for the following position on the SDAC:

Office "B" -two year term (ends 12/31/18)

Signature: \_\_\_\_\_  
Board Chairperson

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
District Manager or District Secretary

\_\_\_\_\_  
Please print e-mail address

**Please attach resume of Nominee.**

**Please send completed nominations to:**

Donald J. Lockhart, AICP, Assistant Executive Officer.  
Sacramento LAFCo  
1112 "I" Street; Suite 100  
Sacramento CA 95814  
[Donald.Lockhart@SacLAFCo.org](mailto:Donald.Lockhart@SacLAFCo.org)



**OFFICE "A" 1/16 – 12/17**

Initial	First	Last	District	Phone	Form 700	Email address
	Raymond	Riehle	Citrus Heights Water District			<a href="mailto:rriehle@chwd.org">rriehle@chwd.org</a>
	Frederick	Goethel	Galt-Arno Cemetery District			<a href="mailto:galam@softcom.net">galam@softcom.net</a>
	Becky	McDaniel	Rio Linda/ Elverta R&P District			<a href="mailto:bmcDaniel@fecrecpark.com">bmcDaniel@fecrecpark.com</a>
	Thomas	Barandas	Reclamation District No. 1000			<a href="mailto:TBarandas@aol.com">TBarandas@aol.com</a>
	Brandon	Rose	Fair Oaks R&P District			<a href="mailto:brandonrose@hotmail.com">brandonrose@hotmail.com</a>
	Brian	Danzi	Cordova R&P District			<a href="mailto:Bdanzl@crpd.com">Bdanzl@crpd.com</a>
	Gerald	Pasek	Rancho Murieta CSD			<a href="mailto:jpasek@rmcsd.com">jpasek@rmcsd.com</a>

**OFFICE "B" 1/15 – 12/16 SEVEN (7) VANCANCIES DUE TO TERMS ENDING**

	Ryan	Saunders	Del Paso Manor WD	696-0280 (M)		<a href="mailto:Ryan.saunders@sbcglobal.net">Ryan.saunders@sbcglobal.net</a>
	Rod	Brewer	Cosumnes CSD	208-8841 (M)		<a href="mailto:Rodbrewer5@gmail.com">Rodbrewer5@gmail.com</a>
	Michael	Stickney	Orangevale R&PD	988-9784		<a href="mailto:michaelstickny@aol.com">michaelstickny@aol.com</a>
	Stacey	Bastian	Rio Linda/ Elverta R&PD	217-1485		<a href="mailto:stbastian@yahoo.com">stbastian@yahoo.com</a>
	Carolyn	Flood	Fair Oaks Cemetery Dist.	966-9294		<a href="mailto:carolynflood2@gmail.com">carolynflood2@gmail.com</a>
	Craig	Locke	Sac Suburban WD	919-3082		<a href="mailto:Craig_locke@hotmail.com">Craig_locke@hotmail.com</a>
	William	Pavão	American River FCD	654-5913		<a href="mailto:w.pavao@comcast.net">w.pavao@comcast.net</a>

**OFFICE "C" COMMISSIONERS**

	Paul	Green, Jr. (Alt.)	Rio Linda/ Elverta Comm. Water District	991-6180		<a href="mailto:prgreenjr1@juno.com">prgreenjr1@juno.com</a>
	Gay	Jones (Chair)	Sacramento Metropolitan Fire District	cell: 916-208-0736 office: 916-859-4305		<a href="mailto:h2ogay@pacbell.net">h2ogay@pacbell.net</a>
	Ron	Greenwood	Carmichael Water District	712-4442		<a href="mailto:ron.greenwood@cbnorcal.com">ron.greenwood@cbnorcal.com</a>



## **CONFERENCE/EDUCATION SCHEDULE**

Date: December 12, 2016  
To: Board of Directors  
From: Suzanne Lindendorf, District Secretary  
Subject: Review Upcoming Conference/Education Opportunities

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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)**

Board Member Best Practices	February 3, 2017	Sacramento
Special District Leadership Academy	February 26 – March 1, 2017	Napa
2017 Special Districts Legislative Days	May 16, 2017	Sacramento

### **GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)**

No Information Currently Available on Upcoming Conferences.

### **ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)**

ACWA 2017 Spring Conference & Exhibition	May 9 – 12, 2017	Monterey
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## 2017 BOARD COMMITTEE ASSIGNMENT REQUESTS

OFFICE / COMMITTEE	JAN – DEC 2016 ASSIGNMENTS	Jan-Dec 2017 DIRECTOR REQUESTS
<b>President</b>	Gerald Pasek	
<b>Vice President</b>	Betty Ferraro	
<b>Security Committee</b>	Betty Ferraro Michael Martel	Les Clark Mark Pecotich
<b>Finance Committee</b>	Gerald Pasek Michael Martel	Gerald Pasek Les Clark John Merchant
<b>Improvements Committee</b>	Gerald Pasek Morrison Graf	Gerald Pasek Les Clark Morrison Graf
<b>Personnel Committee</b>	Morrison Graf Mark Pecotich	Morrison Graf
<b>Parks Committee</b>	Mark Pecotich Morrison Graf (alternate)	Mark Pecotich
<b>Communication &amp; Technology Committee</b>	Betty Ferraro Mark Pecotich	Les Clark John Merchant Mark Pecotich
<b>Joint Security</b>	Betty Ferraro Michael Martel	Les Clark
<b>Regional Water Authority Representatives</b>	Gerald Pasek	



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT  
2017 OFFICE/COMMITTEE ASSIGNMENTS**

<b>OFFICE / COMMITTEE</b>	<b>COMMITTEE ASSIGNMENTS</b>
<b>President</b>	
<b>Vice President</b>	
<b>Communication &amp; Technology Committee</b>	
<b>Finance Committee</b>	
<b>Improvements Committee</b>	
<b>Joint Security Committee</b>	
<b>Personnel Committee</b>	
<b>Parks Committee</b>	
<b>Security Committee</b>	
<b>Regional Water Authority Representatives</b>	