



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 OF DIRECTORS MEETINGS ARE HELD
3rd Wednesday of Each Month

REGULAR BOARD MEETING

FEBRUARY 18, 2015

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

RMCS D Administration Building – Board Room

15160 Jackson Road

Rancho Murieta, CA 95683

BOARD MEMBERS

Gerald Pasek	President
Betty Ferraro	Vice President
Paul Gumbinger	Director
Michael Martel	Director
Mark Pecotich	Director

STAFF

Darlene J. Gillum	General Manager
Greg Remson	Security Chief
Paul Siebensohn	Director of Field Operations
Suzanne Lindenfeld	District Secretary



**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
FEBRUARY 18, 2015**

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

	RUNNING TIME
1. CALL TO ORDER - Determination of Quorum - President Pasek (Roll Call)	4:00
2. ADOPT AGENDA (Motion)	4:05
3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES (5 min.)	4:10
4. CLOSED SESSION <i>Under Government Code 54957.6: Conference with designated Labor Negotiator, Darlene Gillum, Regarding Negotiations with the International Union of Operating Engineers, Local 3, AFL-CIO.</i> <i>Under Government Code 54956.9(d)(1) Conference with Legal Counsel - Existing Litigation - Papas v. Rancho Murieta Community Services District, Rancho Murieta Association, Sacramento Superior Court Case Number: 34-2014-00170251.</i> <i>Under Government Code 54956.9(d)(2) Conference with Legal Counsel - Existing Litigation - , Significant exposure to litigation involving an indemnity claim filed by Rancho Murieta Association relating to the Papas v. Rancho Murieta Community Services District Litigation</i>	4:15
5. OPEN SESSION/REPORT BACK FROM CLOSED SESSION <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> <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. TIMED ITEMS as specifically noted, such as Hearings or Formal Presentations of community-wide interest, will not be taken up earlier than listed.</i>	5:00




- 6. COMMENTS FROM THE PUBLIC** 5:05
- Members of the public may comment on any item of interest within the subject matter jurisdiction of the District and any item specifically agendaized. Members of the public wishing to address a specific agendaized item are encouraged to offer their public comment during consideration of that item. With certain exceptions, the Board may not discuss or take action on items that are not on the agenda.*
- If you wish to address the Board at this time or at the time of an agendaized item, as a courtesy, please state your name and address, and reserve your comments to no more than 3 minutes so that others may be allowed to speak.*
- 7. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.)** 5:10
- All the following items in Agenda Item 7 will be approved as one item if they are not excluded from the motion adopting the consent calendar.*
- a. Approval of Board Meeting Minutes**
 - 1. January 21, 2015 Regular Board Meeting
 - b. Committee Meeting Minutes (Receive and File)**
 - 1. February 6, 2015 Security Committee Meeting
 - 2. February 6, 2015 Finance Committee Meeting
 - 3. February 6, 2015 Improvements Committee Meeting
 - c. Approval of Bills Paid Listing**
 - d. Receive and File OPEB Plan Review**
- 8. STAFF REPORTS (Receive and File) (5 min.)** 5:15
- a.** General Manager’s Report
 - b.** Administration/Financial Report
 - c.** Security Report
 - d.** Water/Wastewater/Drainage Report
- 9. CORRESPONDENCE (5 min.)** 5:20
- a.** Letter from Murieta Village, dated January 20, 2015 Concerning Request for Security Cameras
- 10. CONSIDERATION OF JANUARY 30, 2015 CLAIM AGAINST DISTRICT SUBMITTED BY RANCHO MURIETA ASSOCIATION (Discussion/Action) (Motion) (Roll Call Vote) (5 min.)** 5:25
- 11. RECEIVE PRESENTATION OF THE FINAL 2013-2014 ANNUAL AUDIT REPORT BY LARRY BAIN, CPA (Receive and File) (15 min.)** 5:30
- 12. DISCUSS JANUARY 17, 2015 SECURITY PATROL CALL FOR SERVICE (Discussion/Action) (5 min.)** 5:45
- 13. RECEIVE SECURITY DEPARTMENT ANNUAL REPORT – PRESENTATION BY GREG REMSON, SECURITY CHIEF (Receive and File) (15 min.)** 5:50

14. **RECEIVE FIELD OPERATIONS ANNUAL REPORT – PRESENTATION BY PAUL SIEBENSOHN, DIRECTOR OF FIELD OPERATIONS** (Receive and File) (15 min.) 6:05
15. **CONSIDER APPROVING AMENDMENT TO AGREEMENT WITH NBS GOVERNMENT FINANCE GROUP FOR COMMUNITY FACILITIES DISTRICT NO. 2014-1 FOR ADMINISTRATIVE SERVICES** (Discussion/Action) (Motion) **(Roll Call Vote)** (5 min.) 6:20
16. **CONSIDER APPROVING SOLE SOURCE CONTRACT FOR WATER TREATMENT PLANT EXPANSION PROJECT TEMPORARY FILTRATION SYSTEM** (Discussion/Action) (Motion) (5 min.) 6:25
17. **CONSIDER APPROVING CONTINUED ENGINEERING COSTS RELATED TO THE WATER TREATMENT PLANT EXPANSION PROJECT** (Discussion/Action) (Motion) (5 min.) 6:30
18. **CONSIDER ADOPTION OF DISTRICT POLICY 2015-01, ADVERTISING IN DISTRICT COMMUNICATIONS** (Discussion/Action) (Motion) **(Roll Call Vote)** (5 min.) 6:35
19. **CONSIDER APPROVING NORTH GATE PROJECT FUNDING COMPLETION COSTS AND UPDATE** (Discussion/Action) (Motion) (5 min.) 6:40
20. **RECEIVE REPORT BACK ON SECURITY AD HOC COMMITTEE** (Discussion/Action) (5 min.) 6:45
21. **RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE** (Discussion/Action) (5 min.) 6:50
22. **RECEIVE WATER CONSERVATION UPDATE** (Discussion/Action) (5 min.) 6:55
23. **REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** (Discussion/Action) (Motion) (5 min.) 7:00
24. **DISCUSS PARKS COMMITTEE MEETING AGENDA ITEMS** (Discussion/Action) (5 min.) 7:05
25. **REVIEW MEETING DATES/TIMES FOR THE FOLLOWING:** (5 min.) 7:10

Budget Workshop: March 4, 2015 at 4:00 p.m.

Next Regular Board Meeting: March 18, 2015

Committee Meeting Schedule:

- | | |
|--|-------------------------------------|
|  Parks | February 24, 2015 @ 4:00 p.m. (RMA) |
|  Improvements | March 6, 2015 @ 8:30 a.m. |
|  Finance | March 6, 2015 @ 9:30 a.m. |
|  Security | March 6, 2015 @ 10:30 a.m. |

26. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

7:15

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.

27. ADJOURNMENT (Motion)

7:20

"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 February 13, 2015. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Board of Directors Regular Meeting

MINUTES

January 21, 2015

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

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 4:02 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Betty Ferraro, Paul Gumbinger, and Michael Martel. Also present were Darlene J. Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; Suzanne Lindenfeld, District Secretary; and Richard Shanahan, General Counsel.

Director Mark Pecotich arrived at 4:03 p.m.

2. ADOPT AGENDA

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

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

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

Under Government Code 54957.6: Conference with designated Labor Negotiator, Darlene J. Gillum, Regarding Negotiations with the International Union of Operating Engineers, Local 3, AFL-CIO.

Under Government Code 54956.9(d)(1) Conference with Legal Counsel - Existing Litigation - Papas v. Rancho Murieta Community Services District, Rancho Murieta Association, Sacramento Superior Court Case Number: 34-2014-00170251.

5. BOARD RECONVENED TO OPEN SESSION AT 5:02 P.M. AND REPORTED THE FOLLOWING:

Under Government Code 54957.6: Conference with designated Labor Negotiator, Darlene J. Gillum, Regarding Negotiations with the International Union of Operating Engineers, Local 3, AFL-CIO. Nothing to report.

Under Government Code 54956.9(d)(1) Conference with Legal Counsel - Existing Litigation - Papas v. Rancho Murieta Community Services District, Rancho Murieta Association, Sacramento Superior Court Case Number: 34-2014-00170251. Nothing to report.

6. COMMENTS FROM THE PUBLIC

David Fields commented on an article on Ranchomurieta.com a few months ago that included responses from Joseph Blake regarding the CFD 2014-1 and his concerns regarding the amount of money that the District has spent towards the Water Treatment Plant Expansion Project while

Rancho North/Murieta Gardens has not paid any money towards the project. Mr. Fields asked how much the District has spent to date. Darlene stated that the District has spent about \$1 million and that the bonds sold today so the District will be receiving payment next week. Mr. Fields commented on the community feeling that the District Board is "owned" by John Sullivan. Director Pecotich commented on the need to get the correct information out to the community regarding CFD #2014-1.

Phil Neff commented on his concern with the drainage ditches and when full build out occurs, there will not be any water to put in them.

Sherri, Rancho Murieta Women's Club representative, commented on her concern that if the District does not continue to send out the quarterly notices for their blood donation drives for them, they will not be able to notify the residents. The Blood Source and Rancho Murieta Women's Club are non-profit groups. The next blood drive is Monday, January 26, 2015 from noon to 6:00 p.m.

7. CONSENT CALENDAR

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

8. STAFF REPORTS

Under Agenda Item 8b, President Pasek commented on the \$6.00 increase in the rates that occurred in December 2014. This increase was supposed to have begun July 1, 2014.

Under Agenda Item 8d, President Pasek commented on the average use of water being 250 gallons per day, per connection and wastewater back is 198 gallons per day, per connection.

9. CORRESPONDENCE

None.

10. RECEIVE PRESENTATION ON THE MASTER RECLAMATION PERMIT BY PAUL SIEBENSOHN

Paul Siebensohn gave a brief PowerPoint presentation regarding the District's new Master Reclamation Permit (Permit). The Waste Discharge Requirements (WDRs) and Master Reclamation Permit were approved by the Regional Board on December 4, 2014. This permit allows the District to dispose of the recycled water without having to receive prior authorization from the Regional Board. The District will be developing policies and procedures regarding this process along with the billing rates for recycled water use. A question and answer period followed.

John Sullivan commented on his feeling that the District needs to hold a workshop regarding the 2008 agreement and address how Rancho Murrieta Country Club (RMCC) and the outlining ranches use the water along with the various options available to the District.

Phil Neff commented on how he feels RMCC should become a community course.

The Board took a break at 6:12 p.m. and reconvened at 6:15 p.m.

11. CONSIDER APPROVAL OF DISTRICT APPOINTMENTS

District Treasurer

Darlene Gillum gave a brief summary of the recommendation to appoint herself as District Treasurer and as Regional Water Authority Board representative. Government Code requires the appointment of a Finance Officer. Various documents, including contracts and agreements, require the signature of the District Finance Officer. As stated in her employment contract, the District needs to formally appoint her as the District Treasurer.

Regional Water Authority Board Member Representative

Since Joseph Blake is no longer with the District, the District needs to appoint Darlene Gillum to replace Joe as the District's Board Representative on the Regional Water Authority Board.

Director Gumbinger commented on some Board members having discussed a Director being appointed as District Treasurer. Director Martel stated he was the one who suggested it but, aside from it being in her employment contract, he has total confidence in Darlene.

Motion/Martel to appoint Darlene Gillum as District Treasurer and as the Regional Water Authority Board member representative. **Second/Gumbinger. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

12. CONSIDER ADOPTION OF DISTRICT POLICY 2015-01 NON -DISTRICT SPONSORED ADVERTISING

Darlene Gillum gave a brief summary of the recommendation to adopt District Policy 2015-01 regarding non-district sponsored advertising.

President Pasek commented on advertising for community service events. Richard Shanahan, District General Counsel, commented that the District cannot legally regulate the content of any advertising and suggested the Board consider limiting advertising only to local non-profit corporations. By consensus, the Board agreed to continue this item to the February 18, 2015 regular Board meeting so staff and General Counsel can modify the policy.

13. CONSIDER ADOPTION OF DISTRICT POLICY 2015-02 DISTRICT EYE PROTECTION POLICY

Darlene Gillum gave a brief summary of the recommendation to adopt District Policy 2015-02 regarding reimbursing District employees required to purchase prescription eyewear \$125.00 once every two (2) years. Employees who do not need prescription protective eyewear shall be supplied non-prescription safety glasses by the District when required for safety reasons.

Motion/Ferraro to adopt District Policy 2015-02, Vision Care Reimbursement Policy. **Second/Martel. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

14. CONSIDER AMENDING DISTRICT POLICY 2013-04, USE OF PERSONAL ELECTRONIC COMMUNICATION DEVICES DURING DISTRICT MEETINGS

Darlene Gillum gave a brief summary of the recommendation to adopt District Policy 2015-03, Use of Personal Electronic Devices During District Meetings. This policy supersedes District Policy 2013-04.

Motion/Pecotich to adopt District Policy 2015-03, Use of Personal Electronic Devices During District Meetings. This policy supersedes District Policy 2013-04. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

15. CONSIDER ADOPTION OF DISTRICT RESOLUTION 2015-01, ACCEPTING EASEMENT RIGHTS

Darlene Gillum gave a brief summary of the recommendation to adopt Resolution 2015-01 accepting easement rights.

Motion/Gumbinger to adopt District Resolution 2015-01, Accepting Easement Rights. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

16. RATIFICATION OF QUITCLAIM DEED RELINQUISHING INTERESTS UNDER 1994 AGREEMENT RESPECTING GROUNDWATER

Darlene Gillum gave a brief summary of the recommendation to ratify quitclaim deed relinquishing interests under 1994 agreement respecting groundwater. Former General Manager Joe Blake approved, signed and authorized the recording of a quitclaim deed to the current owner. This deed should have been approved by the Board of Directors.

Motion/Gumbinger to ratify the approval and recording of the Quitclaim Deed dated August 29, 2014 relinquishing the District's interests under the January 24, 1994 Agreement Between Rancho Murieta Community Services District and The Andersons Respecting Groundwater Development. **Second/Ferraro. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

17. CONSIDER ADOPTION OF DISTRICT RESOLUTION 2015-02, ADOPTING POLICIES AND GUIDELINES REGARDING POST-ISSUANCE COMPLIANCE WITH FEDERAL DISCLOSURE AND TAX REQUIREMENTS AND APPLICABLE TO TAX-EXEMPT BONDS

Darlene Gillum gave a brief summary of the recommendation to adopt Resolution 2015-02. This resolution, relating to CFD #2014-1, establishes policies and guidelines of the District regarding compliance with certain federal disclosure and tax requirements applicable to the Issuer's bonds, certificates of participation, and other obligations the interest on which is excluded from gross income for federal income tax purposes. These Policies and Guidelines relate to requirements that must be met after the issuance of Tax-Exempt Bonds in order to maintain the tax exclusion and to comply with requirements regarding disclosure to the secondary bond market.

Motion/Gumbinger to adopt District Resolution 2015-02, a Resolution of the Board of Directors of the Rancho Murieta Community Services District adopting policies and guidelines regarding post-issuance compliance with Federal disclosure and tax requirements applicable to tax-exempt bonds. **Second/Martel. Roll Call Vote: Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

18. CONSIDER APPROVAL OF HARDIEBACKER SIDING FOR THE WATER TREATMENT PLANT EXPANSION PROJECT ALTERNATIVE #1

Paul Siebensohn gave a brief summary of the recommendation to approve the cost for HardieBacker siding for Water Treatment Plant Expansion Alternate #1. HardieBacker has an estimated 50 year life with a 50 year limited warranty, fire resistance, and weather resistance,

with a long maintenance-free life. Cedar siding has a lower cost but has an estimated life of only 20 years with painting every 5 years.

Motion/Pecotich to approve cost for HardieBacker siding for Water Treatment Plant Expansion Alternate #1, in an amount not to exceed \$91,466. Funding to come from Water Capital Replacement Reserves. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

19. DISCUSS NEW NORTH GATE

a. Consider Approval of Additional Costs for Gate Arm/Operator Installation

Chief Remson gave a brief summary of the recommendation to approve the additional costs related to the installation of the new North Gate equipment-gate operators, barcode readers and intercoms.

On January 20, 2015 we received a revised invoice from Diede Construction regarding this work that included the prime contractor fee and insurance costs, which were inadvertently omitted from the previous invoice, which brings the total for the work to \$3,853.00.

The installation of concrete foundations that will contain the electrical conduit listed above and where the gate operators, barcode readers, and intercoms are attached to the curb areas is \$7,893.00. However, Greg Vorster has agreed to complete this work for \$3,700, with a savings to the District of \$4,193.00.

The majority of this work has been completed. Additionally, the electrical conduit sweeps and foundation in the unfinished Lago Drive area and the Murieta Parkway left turn lane are included in the above listed costs. There may be additional costs for survey and stake work. Those costs are unknown at this time.

Director Gumbinger commented on his concern as to why the District was notified so late of the additional costs. John Sullivan stated that in the final plans, these items were not identified.

Director Martel stated that he spoke with Rancho Murieta Association (RMA) regarding this issue and does not agree with it, Director Martel feels RMA owes the District money.

Director Pecotich suggested that Darlene Gillum and Chief Remson meet with Greg Vorster, Rod Hart and the contractor to go over everything and get an idea of any additional costs that will be billed to the District.

Motion/Martel to approve the additional costs related to the installation of the new North Gate equipment-gate operators, barcode readers and intercoms, in an amount not to exceed \$8,003.00. Funding to come from borrowing from Capital Improvement Fees, with a payback timeline of 5-10 years from future Security Impact Fee payments and/or net income from the Security Operating Budget. **Second/Pecotich** with understanding that President Pasek and Darlene Gillum meet with Greg Vorster, Rod Hart and the contractor to go over everything and get an idea of any additional costs that will be billed to the District. **Ayes: Pasek, Gumbinger, Martel, Pecotich. Noes: Ferraro.**

b. Reconsider \$5,000 Payment to Rancho Murieta Association for Water Line Replacement at the North Security Gate (Approved at the December 17, 2014 Board Meeting)

Motion/Gumbinger to reconsider the \$5,000 payment to Rancho Murieta Association for water line replacement at the North Security Gate that was approved at the December 17, 2014 Board meeting. **Second/Martel. Ayes: Gumbinger, Martel, Pecotich.**

Director Martel stated that even though RMA owes the District money for the Escuela Park water, he is not going to change his vote on this matter. Directors Pecotich and Gumbinger also stated they would not change their vote. The approval stands.

Chief Remson stated that the schedule keeps changing; they now plan to lay the asphalt next week instead of this week. They will also be doing some night work.

20. RECEIVE WATER TREATMENT PLANT EXPANSION PROJECT UPDATE

Paul Siebensohn gave a brief update on the Water Treatment Plant Expansion Project. Site trade contractors continued to work through the rain and holidays, with time off Christmas Day and New Years Day.

Darlene Gillum stated that she and Paul Siebensohn met with Roebbelen Tuesday afternoon to review the status of the project. At this time, the completion date will tentatively be pushed out to June.

21. RECEIVE WATER CONSERVATION UPDATE

Paul Siebensohn gave a brief update on water conservation in the community. Water treatment plant production for December was down 19.9% vs. the past five (5) year average and 28.7% vs. December of last year. Rancho Murieta received 7.09" of rain in December.

22. CONSIDER CONFERENCE/EDUCATION OPPORTUNITIES

No comments.

23. REVIEW MEETING DATES/TIMES

No comments.

24. COMMENTS/SUGGESTIONS

Director Martel thanked staff for all their work at keeping things together during all the transitions and issues over the last several months. He also commented on his feeling that RMA is hiding while doing their speeding control.

John Sullivan commented on his concerns regarding damage being done to the back area, artifacts being stolen and damage in the Indian burial grounds. If it continues, access to the back areas will be completely shut off. Mr. Sullivan asked that Patrol enforce trespassing citations and notify him anytime someone is found back there.

Director Gumbinger thanked staff for all their efforts over the past several months.

President Pasek stated he has similar comments.

Director Ferraro stated that she gave a paper to Richard Shanahan and would like a report back from him as soon as possible.

Director Pecotich commented on wanting to begin Parks Committee meetings again.

Darlene Gillum stated that the bonds went out for final pricing today, the rate being 2.5% to 4 ¾ %. The District should be receiving about \$4,350,000 next Wednesday.

Suzanne suggested having the budget workshop on Wednesday, March 4, 2015 at 4:00 p.m. By consensus, the Board agreed.

25. ADJOURNMENT

Motion/Gumbinger to adjourn at 8:00 p.m. **Second/Ferraro. Ayes: Pasek, Ferraro, Gumbinger, Martel, Pecotich. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

MEMORANDUM

Date: February 6, 2015
To: Board of Directors
From: Security Committee Staff
Subject: February 6, 2015 Security Committee Meeting

1. CALL TO ORDER

Director Ferraro called the meeting to order at 8:02 a.m. Present were Directors Ferraro and Martel. Present from District staff were Darlene Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. MONTHLY UPDATES

Operations

The two (2) new Security Officers are settling in well.

The Security Patrol Officer is still out on medical leave. There is no tentative return date.

Incidents of Note

Chief Remson gave a brief overview of the incidents of note for January 2015.

RMA Citations/Admonishments

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of January 2015, which included 31 stop sign, 25 driveway parking, and 14 park hours. RMA rule violation admonishments and/or complaints for the month of January 2015 included 34 Loose/off leash dogs, 20 open garage doors, and 15 speeding.

Rancho Murieta Association Compliance/Grievance/Safety Committee Meeting

The Rancho Murieta Association compliance/Grievance/Safety Committee meeting was held on January 5, 2015 at the RMA office. Items discussed included chickens in the community. There was one (1) hearing regarding a resident who said numerous neighbors leave their garage doors open and garbage cans out. Compliance Officer Larry Turner will follow up on the complaints. The next meeting is scheduled for February 3, 2015.

Security Ad Hoc Committee

Chief Remson gave a brief summary of the ad hoc Security Committee. The goal of the Committee was to enhance the Security Surveillance Camera Plan and Security Strategic Plan to reduce crime, including vandalism and thefts, throughout the community with the use of surveillance cameras. The Committee discussed camera systems in the current community and in future development, Security Impact Fees, and the benefit of cameras and the concerns that need to be addressed.

Staff obtained quotes from several vendors. The vendors made presentations to the Committee and answered questions. After the presentations and follow-up information was received, the Committee recommended a vendor for the North Gate Project, Watchdogs Surveillance. The vendor has begun wiring the new gate building.

The Surveillance Camera Implementation, Integration and Expansion Plan will be updated with recommendations and presented to the Security Committee for comment at the March meeting. After discussion, the committee chair recommended that the Security Ad Hoc Committee be disbanded until needed again.

New North Gate

The first layer of asphalt has been applied to the two (2) inbound resident lanes. Foundations and conduit for the gate operators, barcode readers and intercoms are being placed. The delivery date for the barcode readers and gate operators is February 9, 2015. The surveillance camera vendor is installing wire in the gate building. Required inspections for plumbing, electrical, mechanical, and framing should be complete this week.

4. CALL FOR SERVICE - JANUARY 17, 2015

Chief Remson provided a copy of the incident report for everyone to read and provided a brief summary of the incident.

Director Martel commented on his concern that it took Sacramento Sheriff's Department (SSD) an hour to respond to a call of an adult with an assault rifle with three clips of ammunition threatening people and why SSD did not charge the suspect for threatening the Patrol Officers. Director Martel asked when Chief Remson was notified of the incident. Chief Remson stated he was notified after the incident occurred.

Chief Remson stated that after reviewing the information and talking with Security Officers, he feels they did an excellent job. After a discussion, Darlene Gillum stated that the incident is still being investigated so nothing more can be said at this time.

5. DIRECTOR & STAFF COMMENTS

Director Martel requested that the Committee discuss the Security Tax and Security doing security not compliance at the March Security Committee meeting.

6. ADJOURNMENT

The meeting adjourned at 9:04 a.m.

MEMORANDUM

Date: February 6, 2015
To: Board of Directors
From: Finance Committee Staff
Subject: February 6, 2015 Finance Committee Meeting

1. CALL TO ORDER

Director Pasek called the meeting to order at 9:08 a.m. Present were Directors Pasek and Martel. Present from District staff were Darlene Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. UPDATES

CFD 2014-1

The CFD 2014-1 bonds closed and the full amount of the developer's commitment to the Water Treatment Plant #1 construction costs of \$4,358,245 is in the hands of our Fiscal Agent, Wilmington Trust. The District will send a release on the developer's Letter of Credit to Bank of the West within the week.

WATER TREATMENT PLANT EXPANSION PROJECT FINANCING

Demand letters were sent to Reynen & Bardis Development, LLC (in the amount of \$426,215.87) and Rancho Murieta 205 LLC (in the amount of \$998,788.67) on February 2, 2015. Staff will be meeting with Gary Parker on Monday, February 9, 2015 to review the status of the Project. The draw against the respective Letters of Credit (LOC) will be submitted on February 11, 2015. This demand amount is inclusive of Project expenditures through December 31, 2014.

The first requisition/invoice for the Cosumnes River Land/Rancho Murieta Properties portion of the Project expenditures has been sent to the CFD 2014-1 Fiscal Agent in the amount of \$2,348,245. This amount covers expenditures through December 31, 2014, reimbursement of the developer's deposit (which is now covered by bond proceeds), and approximately \$700,000 for projected expenditures for the next two months. The Fiscal Agent will wire these funds to our CFD 2014-1 bank account by the end of the week.

4. ANNUAL OPEB PLAN REVIEW

Mitch Barker, Executive Vice President, and Rachel Sanders, Supervisor, Client Services, of PARS gave a brief program overview and plan overview. As of November 30, 2014, the total contributions made is \$606,000, investment earnings is \$123,195, for a total account balance of \$724,912.

Andrew Brown, CFA, CFP, Vice President, Highmark Capital Management, gave a brief investment overview, for period ending December 31, 2014. A question and answer period followed. **This item will be on the February 18, 2015 Board of Directors meeting agenda.**

5. REVIEW DRAFT ANNUAL AUDIT REPORT

Larry Bain, CPA, gave a brief summary of the 2013-2014 audit report. It was a clean report with only two (2) findings. A question and answer period followed. **This item will be on the February 18, 2015 Board of Directors meeting agenda.**

6. REVIEW DRAFT RESERVE STUDY REPORT

This item will be addressed at the next Finance Committee meeting.

7. 2015-2016 BUDGET PLANNING UPDATE

Darlene Gillum stated that she will have the draft budget ready for review at the March 4, 2015 budget workshop.

8. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

None.

9. ADJOURNMENT

The meeting was adjourned at 10:15 a.m.

DRAFT

MEMORANDUM

Date: February 6, 2015
To: Board of Directors
From: Improvements Committee Staff
Subject: February 6, 2015 Committee Meeting Minutes

1. CALL TO ORDER

Director Pasek called the meeting to order at 10:20 a.m. Present were Directors Pasek and Gumbinger. Present from District staff were Darlene Gillum, General Manager; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. UPDATES

Augmentation Well

The Augmentation Well Project was sent out for bid yesterday (February 5, 2015).

Water Treatment Plant Expansion Project

Completed work includes pulling forms and setting edges for new membrane basins, continuing installation of conduit feeds out to future generator site pad and back-pulse and under-drain pumps; completion of air release valve installations and cages on sewer force main installation; preparation and beginning excavation for future treated water effluent pump station; installation of process water line and meter; drilling exterior pilaster footings.

After a discussion with GE on January 14, the overall project schedule provided by Roebbelen Construction Management (CMAR) was not realistic. Their schedule showed that commissioning activities of the facility would be complete within 48 days and we could begin Acceptance Testing on April 25. GE said, and had provided a schedule to Roebbelen back on June 19, 2014, that commissioning would take them between 69-80 days, a three (3) week difference. We immediately followed this up with a meeting with Roebbelen as to the affect and concerns due to this scheduling update. Roebbelen reported that they were holding back on incorporating this into the overall schedule hoping to make a determination in January if they had made up enough time to roll back GE's commissioning time needs. Time had not been made up but had fallen further behind. Roebbelen contends that the primary cause for schedule delay is due to the District not allowing the Water Treatment Plant to be shut down last summer on July 15, 2014, per a revised project schedule that had been added to the Contract bid documents in Addendum #4, pg. 39 of 63. This differed significantly from the late start schedule originally provide in bid Exhibit G – base bid Schedule A which had the operationally agreed upon shutdown scheduled for October 15, 2014. Also, it has always been in the Contract Documents and Specifications that *“Plant 1 can only be taken out of service, without the use of temporary filters, during the winter.”* The actual Plant 1 shutdown took place on September 11, 2014.

A new schedule has been provided by CMAR showing Commissioning – Process Startup/ Acceptance testing on July 2, 2015. GE believes we may be able to provide processed effluent into our system sooner; however, Department of Drinking Water (DDW) approval must be obtained.

After discussion with GE, staff looked at all possible alternatives to meeting our anticipated water system demands including acceleration of the current project, expediting the Augmentation Well Project, Temporary Filtration, and maximizing output of Plant #2.

Conservation

Water treatment plant production for January 2015 was up 0.7% vs. the past five (5) year average and decreased 21.8% vs. January of last year. With having received only 0.30” of rain and it being unseasonably warm this past January, some of the community began irrigating again. It is looking as if we are moving into our fourth (4th) year of drought with the long term forecasting from the National Weather Service Climate Prediction Center now showing that the drought will *persist or intensify* in our region and US Drought Monitor has our region in their worst possible drought category.

The Water Conservation schedule is still in effect, however conservation tagging has been reset with the new year.

3. WATER TREATMENT PLANT EXPANSION PROJECT

a. Approve Temporary Filtration System

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal from GE Power & Water for a temporary filtration system for the Water Treatment Plant Expansion Project. With the Water Treatment Plant Expansion Project extending into the warmer months, the community’s water demand will increase beyond the capability of Plant #2. **This item will be added to the February 18, 2015 Board of Directors meeting agenda.**

b. Approve HDR Engineering Costs

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal from HDR for additional engineering services for the Water Treatment Plant Expansion Project. HDR had originally supplied a proposal that had what they believed to be adequate to cover costs for engineering services during construction, totaling \$413,486. The Improvement Committee felt the cost was too high and requested that their proposal be revised down. The amount approved in March 2014 for engineering services during construction was \$150,186. With the additional engineering costs, the total is still lower than the original proposal. **This item will be added to the February 18, 2015 Board of Directors meeting agenda.**

4. DIRECTORS & STAFF COMMENTS/SUGGESTIONS

Director Gumbinger commented on the County Ordinance regarding water efficient landscape. Paul Siebensohn stated that Ordinance (requirement) was released by the Department of Water Resources in 2010. The District provided a copy to RMA at that time.

5. ADJOURNMENT

The meeting was adjourned at 10:56 a.m.

MEMORANDUM

Date: February 12, 2015
 To: Board of Directors
 From: Tracey Hays, Interim Controller
 Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **January 2015**. 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:

Vendor	Project/Purpose	Amount	Funding
Apple One Employment Services	Admin - Hays	\$7,176.50	Operating Expense
SMUD	Monthly Power	\$27,973.44	Operating Expense
US Bank Corp Payment System	Monthly Gasoline Bill	\$6,396.62	Operating Expense
California Waste Recovery Systems.	Solid Waste Monthly Contract	\$46,126.87	Operating Expense
Bay Valve Service & Engineering, LLC	MLS Gravity Bypass Valve	\$5,433.43	Reserve Funding
California Waste Recovery Systems.	Solid Waste Monthly Contract	\$46,153.81	Operating Expense
GSRMA	Workers Comp/Liability Insurance 3 rd Qtr	\$41,053.00	Operating Expense
Rancho Murieta Association	N. Gate Const. Waterline, Landscaping, SMUD	\$5,557.17	Operating Expense
AECOM Technical Services, Inc.	Recycled Water Distribution Project	\$10,525.00	Reserve Funding
Bartkiewicz, Kronick & Shanahan	Legal Services	\$11,633.18	Operating Expense
HDR Engineering, Inc	WTPE #1	\$33,446.61	Reserve Funding
SMUD	Monthly Power	\$33,095.13	Operating Expense

**Rancho Murieta Community Services District
Bills Paid Listing for January 2015**

Ck Number	Date	Vendor	Amount	Purpose
CM29051	1/2/2015	Action Cleaning Systems	\$52.08	Air Fresheners
CM29052	1/2/2015	American Family Life Assurance Co.	\$478.40	Payroll
CM29053	1/2/2015	Apple One Employment Services	\$7,176.50	Temp - Hays
CM29054	1/2/2015	Aramark Uniform & Career Apparel, LLC	\$290.64	Uniform Service - Water
CM29055	1/2/2015	ASR - Sacramento Uniform	\$237.54	Uniform Service - Ansari
CM29056	1/2/2015	AT&T	\$50.00	Monthly Internet Bill - Security
CM29057	1/2/2015	AT&T	\$37.83	Monthly Phone Bill
CM29058	1/2/2015	California Public Employees' Retirement Sys	\$32,778.41	Payroll
CM29059	1/2/2015	CDW Government Inc.	\$44.22	Wireless Keyboard - GM
CM29060	1/2/2015	Employment Development Department	\$2,184.91	Payroll
CM29061	1/2/2015	Fastenal	\$158.93	Maint & Rpr: Supplies
CM29062	1/2/2015	Folsom Lake Fleet Services	\$983.59	Service: 816/517
CM29063	1/2/2015	Franchise Tax Board	\$75.00	Payroll
CM29064	1/2/2015	Gold Country Regional Chapter of CSDA	\$30.00	SDA Training: Lindenfeld
CM29065	1/2/2015	Groeniger & Company	\$845.70	Maint & Rpr: Supplies
CM29066	1/2/2015	Guardian Life Insurance	\$4,686.50	Payroll
CM29067	1/2/2015	Howe It's Done	\$462.60	Board Meeting Dinner
CM29068	1/2/2015	Legal Shield	\$91.95	Payroll
CM29069	1/2/2015	Nationwide Retirement Solution	\$394.00	Payroll
CM29070	1/2/2015	Operating Engineers Local Union No. 3	\$600.00	Payroll
CM29071	1/2/2015	P. E. R. S.	\$11,196.30	Payroll
CM29072	1/2/2015	S. M. U. D.	\$27,973.44	Monthly Electric
CM29073	1/2/2015	Sierra Office Supplies	\$285.12	Letterhead
CM29074	1/2/2015	TASC	\$81.15	Payroll
CM29075	1/2/2015	U.S. Bank Corp. Payment System	\$6,396.62	Monthly Gasoline Bill
CM29076	1/2/2015	U.S. HealthWorks Medical Group, PC	\$123.00	Prejob Physical - Ansari
CM29077	1/2/2015	Vision Service Plan (CA)	\$451.24	Payroll
CM29078	1/2/2015	W.W. Grainger Inc.	\$2,183.05	Maint & Rpr: Supplies
EFT	1/5/2015	EFTPS	\$ 8,995.23	Payroll Taxes
EFT	1/5/2015	EFTPS	\$ 466.51	Payroll Taxes
CM29079	1/7/2015	California Waste Recovery Systems	\$46,126.87	Solid Waste Monthly Contract
CM29082	1/16/2015	B.S.I.S.	\$98.00	Exposed Firearms Card - Coyle
CM29083	1/16/2015	B.S.I.S.	\$35.00	Guard Card renewal - Coyle
CM29084	1/16/2015	Accounting & Association Software Group	\$453.75	Workstation install/Payroll YE
CM29085	1/16/2015	A Leap Ahead IT	\$3,585.07	Monthly IT Service
CM29086	1/16/2015	American Family Life Assurance Co.	\$548.53	Payroll
CM29087	1/16/2015	American Water Works Association	\$413.00	Membership:Siebensohn
CM29088	1/16/2015	Applications By Design, Inc.	\$2,301.25	Security BackUp/Barcode Balance
CM29089	1/16/2015	Apple One Employment Services	\$1,333.00	Temp - Hays
CM29090	1/16/2015	Aramark Uniform & Career Apparel, LLC	\$203.64	Uniform Service - Water

**Rancho Murieta Community Services District
Bills Paid Listing for January 2015**

Ck Number	Date	Vendor	Amount	Purpose
CM29091	1/16/2015	Atkins North America, Inc.	\$1,785.00	Augmentation Well Pipeline
CM29092	1/16/2015	Bay Valve Service & Engineering, LLC	\$5,433.43	MLS gravity bypass valve
CM29093	1/16/2015	BlueLine Rental, LLC	\$2,727.00	Backhoe Rental 12/18/14 - 1/15
CM29094	1/16/2015	Roger Brandt	\$200.00	Toilet Rebate (2)
CM29095	1/16/2015	Caltronics Business Systems	\$410.17	Cartridges (2)
CM29096	1/16/2015	California Laboratory Services	\$3,270.26	Monthly Lab Tests
CM29097	1/16/2015	California Waste Recovery Systems	\$46,153.81	Solid Waste Monthly Contract
CM29098	1/16/2015	CWEA	\$82.00	Certificate Renewal - Hermann
CM29099	1/16/2015	California-Nevada Section	\$770.00	Backflow Tester - Greenfield
CM29100	1/16/2015	Capital One Commercial	\$1,409.32	Monthly Supplies
CM29101	1/16/2015	County of Sacramento	\$567.00	Annual Permit: 6-B Lift
CM29102	1/16/2015	Dave Womack Backflow Services	\$2,201.36	Service and Repair Backflow Device
CM29103	1/16/2015	Employment Development Department	\$3,225.84	Payroll
CM29104	1/16/2015	Express Office Products, Inc.	\$640.69	Office Supplies
CM29105	1/16/2015	Folsom Lake Fleet Services	\$2,518.35	Service: 212/814
CM29106	1/16/2015	Ford Motor Credit Company LLC	\$234.78	2012 Ford Escape Lease Payment
CM29107	1/16/2015	Franchise Tax Board	\$75.00	Payroll
CM29108	1/16/2015	Galls/Quartermaster	\$136.55	Uniform: Truelock/Fuentes/Taylor
CM29109	1/16/2015	Gempler's, Inc.	\$599.35	Training & Safety: Supplies
CM29110	1/16/2015	GSRMA	\$41,053.00	Workers Comp/Liability 3rd Qtr
CM29111	1/16/2015	Greenfield Communications	\$136.98	Internet/TV
CM29112	1/16/2015	Hastie's Capitol Sand and Gravel Co.	\$656.64	3/4 AB#/Fill Sand
CM29113	1/16/2015	Home Depot Credit Services	\$589.64	Maint & Rpr: Supplies
CM29114	1/16/2015	Legal Shield	\$91.95	Payroll
CM29115	1/16/2015	McMaster-Carr Supply Co.	\$2,975.02	Maint & Rpr: Supplies
CM29116	1/16/2015	Nationwide Retirement Solution	\$394.00	Payroll
CM29117	1/16/2015	Operating Engineers Local Union No. 3	\$624.00	Payroll
CM29118	1/16/2015	P. E. R. S.	\$24,388.97	Payroll
CM29119	1/16/2015	Rancho Murieta Ace Hardware	\$275.39	Monthly Supplies
CM29120	1/16/2015	Rancho Murieta Association	\$5,557.17	N. Gate Const Waterline/Landscaping/SMUD
CM29121	1/16/2015	Sacramento Bee	\$2,347.38	Public Notice #357, 358/Ad Cont
CM29122	1/16/2015	Sacramento Metropolitan Air Quality Mgt. Di	\$754.00	Permit Fee for New North Gate
CM29123	1/16/2015	Sacramento Area Water Works Association	\$325.00	2015 Membership: Siebensohn
CM29124	1/16/2015	S. M. U. D.	\$120.00	Void
CM29125	1/16/2015	Sprint	\$1,224.36	Monthly Cell Phone Bill
CM29126	1/16/2015	State of California	\$64.00	Fingerprint Processing (2)
CM29127	1/16/2015	Robert Summersett	\$100.00	Toilet Rebate (1)
CM29128	1/16/2015	TASC	\$162.75	Payroll
CM29129	1/16/2015	TASC	\$134.23	Payroll
CM29130	1/16/2015	TelePacific Communications	\$532.15	Monthly Phone Bill
CM29131	1/16/2015	William Thacher	\$100.00	Water Pressure Reducing Valve

**Rancho Murieta Community Services District
Bills Paid Listing for January 2015**

Ck Number	Date	Vendor	Amount	Purpose
CM29132	1/16/2015	USA Blue Book	\$1,651.02	Maint & Rpr: Supplies
CM29133	1/16/2015	Watchdogs Surveillance	\$675.00	Consultant Services N. Gate
CM29134	1/16/2015	Western Exterminator Co.	\$453.50	Monthly Service/ Rodent Control
CM29135	1/16/2015	W.W. Grainger Inc.	\$806.88	Barricades/Raingear
EFT	1/19/2015	EFTPS	\$ 9,697.69	Payroll Taxes
CM29136	1/30/2015	Action Cleaning Systems	\$1,172.00	Monthly Cleaning Service
CM29137	1/30/2015	AECOM Technical Services, Inc.	\$10,525.00	Recycled Water Distribution Project
CM29138	1/30/2015	Robert Akins	\$100.00	Toilet Rebate (1)
CM29139	1/30/2015	American Family Life Assurance Co.	\$548.53	Payroll
CM29140	1/30/2015	American Water Works Association	\$378.00	Publications
CM29141	1/30/2015	Apple One Employment Services	\$4,464.00	Temp - Hays
CM29142	1/30/2015	Aramark Uniform & Career Apparel, LLC	\$83.13	Shirts - Hermann
CM29143	1/30/2015	Aramark Uniform & Career Apparel, LLC	\$246.39	Uniform Service - Water
CM29144	1/30/2015	ASR - Sacramento Uniform	\$235.36	Uniform - Ansari
CM29145	1/30/2015	AT&T	\$100.00	Monthly Internet Bill - Admin/Security
CM29146	1/30/2015	AT&T	\$864.98	Monthly Phone Bill
CM29147	1/30/2015	Bartkiewicz, Kronick & Shanahan	\$11,633.18	Legal Services
CM29148	1/30/2015	CWEA	\$79.00	Lab Analyst 1 Renewal - Siebensohn
CM29149	1/30/2015	Caltronics Business Systems	\$1,812.63	Copier Maintenance
CM29150	1/30/2015	CDW Government Inc.	\$556.37	Acrobat Pro/APC replacement battery
CM29151	1/30/2015	Cell Energy Inc.	\$253.67	Battery:Kubota/Compressor
CM29152	1/30/2015	CVCWA	\$1,350.00	Dues 7/2014-7/2015
CM29153	1/30/2015	Clement Communications	\$271.07	Safety & The Supervisor/Greenfield
CM29154	1/30/2015	Dave Womack Backflow Services	\$526.77	Service and Repair Backflow Device
CM29155	1/30/2015	Diede Construction, Inc.	\$3,853.00	N. Gate Conduit
CM29156	1/30/2015	Employment Development Department	\$2,145.56	Payroll
CM29157	1/30/2015	Express Office Products, Inc.	\$381.54	Office Supplies
CM29158	1/30/2015	Folsom Lake Fleet Services	\$4,736.83	Service: 517/812/519
CM29159	1/30/2015	Franchise Tax Board	\$75.00	Payroll
CM29160	1/30/2015	Gempler's, Inc.	\$638.12	Maint & Rpr: Supplies
CM29161	1/30/2015	Groeniger & Company	\$1,910.95	Maint & Rpr: Supplies
CM29162	1/30/2015	Hach Company	\$1,124.03	Equipment Maint
CM29163	1/30/2015	HDR Engineering, Inc	\$33,446.61	CEQA/WTP projects
CM29164	1/30/2015	Jerry Hickman	\$100.00	Hot Water Recirculating Pump
CM29165	1/30/2015	Richard Laver	\$200.00	Toilet Rebate (2)
CM29166	1/30/2015	Legal Shield	\$91.95	Payroll
CM29167	1/30/2015	Lillian Maddox	\$100.00	Hot Water Recirculating Pump
CM29168	1/30/2015	Allen Morrison	\$100.00	Hot Water Recirculating Pump
CM29169	1/30/2015	Nationwide Retirement Solution	\$394.00	Payroll
CM29170	1/30/2015	Operating Engineers Local Union No. 3	\$624.00	Payroll

**Rancho Murieta Community Services District
Bills Paid Listing for January 2015**

Ck Number	Date	Vendor	Amount	Purpose
CM29171	1/30/2015	PDF Tactical	\$3,444.00	Unarmed Contract Security
CM29172	1/30/2015	Pitney Bowes	\$698.32	Postage Machine Lease
CM29173	1/30/2015	Public Agency Retirement Services	\$300.00	Trust Admin Fees
CM29174	1/30/2015	Rancho Murieta Association	\$450.00	N. Gate Survey/Staking
CM29175	1/30/2015	Rancho Murieta Business Center	\$19.44	2015 Tax forms - cut
CM29176	1/30/2015	River Valley Times	\$327.00	Controller Ad
CM29177	1/30/2015	Laura Roberti	\$200.00	Toilet Rebate (2)
CM29178	1/30/2015	Scott Robertson	\$100.00	Toilet Rebate (1)
CM29179	1/30/2015	Romo Landscaping	\$385.00	Landscaping
CM29180	1/30/2015	S. M. U. D.	\$33,095.13	Monthly Electric
CM29181	1/30/2015	Sierra Office Supplies	\$475.00	Forms:Unrep/Rep time off
CM29182	1/30/2015	Ronald Squires	\$200.00	Toilet Rebate (2)
CM29183	1/30/2015	State Water Resources Control Board	\$90.00	Renewal G3 Siebensohn
CM29184	1/30/2015	Stevens Water Monitoring Systems, Inc.	\$244.55	Chart Recorder Paper
CM29185	1/30/2015	TASC	\$122.69	Payroll
CM29186	1/30/2015	The Westmark Group, Inc.	\$2,268.00	Monitoring/Reporting
CM29187	1/30/2015	U.S. HealthWorks Medical Group, PC	\$572.00	Annual PFT (Water,11)
CM29188	1/30/2015	United Rentals Northwest, Inc.	\$271.30	Plug Rental
CM29189	1/30/2015	USA Blue Book	\$706.62	Flow meter
CM29190	1/30/2015	W.W. Grainger Inc.	\$1,459.08	Maint & Rpr: Supplies
CM29191	1/30/2015	Water Environment Federation	\$272.00	WEF Membership 2015
CM29192	1/30/2015	Youngdahl Consulting Group, Inc.	\$2,448.00	WTP #1 Expansion
EFT	1/30/2015	US Postmaster	\$500.00	Postage
		Total	\$466,889.00	
		CFD#1 Bank of America Checking		
CM2740	1/2/2015	Bank of America	\$18.27	Analysis Fee
CM2741	1/22/2015	Rancho Murieta CSD	\$3,000,000.00	CAMP Transfer to CSD
CM2742	1/30/2015	Bank of America	\$18.12	Analysis Fee
CM2743	1/30/2015	Corelogic Solutions, LLC	\$165.00	Technical Support
		TOTAL	\$3,000,201.39	
		EL DORADO PAYROLL		
		Payroll (El Dorado)		
Checks: # CM11267 to CM11280		and Direct Deposits: DD07741 to DD07837	\$ 159,365.56	Payroll
EFT	1/31/2015	National Payment Corp	\$146.16	Payroll
		TOTAL	\$159,511.72	

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Receive and File Annual OPEB Plan Review

RECOMMENDED ACTION

No action - receive and file.

BACKGROUND

Mitch Barker, Executive Vice President, and Rachel Sanders, Supervisor, Client Services, of PARS gave a brief program overview and plan overview. As of November 30, 2014, the total contributions made is \$606,000, investment earnings is \$123,195, for a total account balance of \$724,912.

Andrew Brown, CFA, CFP, Vice President, Highmark Capital Management, gave a brief investment overview, for period ending December 31, 2014. A question and answer period followed.

Post Retirement Health Care Plan Trust Funding Client Review



Rancho Murieta CSD

February 6, 2014

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RETIREMENT
SERVICES

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TRUSTED SOLUTIONS. LASTING RESULTS.



Contacts

PARS

Mitch Barker, Executive Vice President
mbarker@pars.org; 800.540.6369 ext. 116




Rachael Sanders, Supervisor, Client Services
rsanders@pars.org; 800.540.6369 ext. 121

HighMark Capital Management

Andrew Brown, CFA, CFP[®], Vice President, Senior Portfolio Manager
Andrew.Brown@highmarkcapital.com; 415-705-7605

PROGRAM OVERVIEW & RESPONSIBLE PARTIES

OPEB Trust Team

			
Role	Trust Administrator and Consultant <ul style="list-style-type: none"> • Recordkeeping/Sub-trust accounting • Actuarial Coordination • Monitor Contributions/ Process Disbursements • Monitor Plan Compliance • Ongoing Client Liaison • Pre-fund Pension Option – NEW! 	Trustee <ul style="list-style-type: none"> • Safeguard plan assets • Oversight protection <ul style="list-style-type: none"> • Plan Fiduciary • Custodian of assets 	Investment Manager <ul style="list-style-type: none"> • An investment sub-advisor to U.S. Bank <ul style="list-style-type: none"> • Open architecture • Investment policy assistance
Corporate Experience	31 years (1984 – 2015)	152 years (1863 – 2015)	96 years (1919 – 2015)
OPEB Experience	18 years	9 years	18 years
Number of plans under administration	1,113 plans for 600 public agencies		
Dollars under administration	More than \$1.6 billion	More than \$4 trillion	More than \$14.7 billion under management

Trust Overview

PARS received an IRS Private Letter Ruling on the Section 115 Trust in May 2007.

Established as an irrevocable exclusive benefit trust:

- Assets can revert back to employer only when no beneficiaries of the plan remain
- Assets are legally protected from creditors of the employer and beneficiaries
- Multiple-employer trust program
- Allows economies of scale for administration
- Pooling of assets for investments
- No cross sharing of earnings or liabilities/risk

MORE THAN 135 OPEB CLIENT AGENCIES

CITIES

Alameda
Allen
Atherton
Bakersfield
Camarillo
Commerce
Conroe
Coppell
Coronado
Covina
Crescent City
Cupertino
Duarte
Elk Grove
Eules
Fountain Valley
Ft Worth
Galt
Garland
Half Moon Bay
Haltom City
Hercules
Hermosa Beach
Hurst
La Verne
Lake Forest
Lakewood
Livermore
Mammoth Lakes
Mansfield
North Richland Hills

Novato
Redding
Rialto
Richmond
Rosemead
San Leandro
Santa Clara
Santa Clarita
Southlake
Temple City
Tyler
Union City
Woodland
Yountville
Yucca Valley

COUNTIES

Amador
Contra Costa
Imperial
Inyo
Kern
Merced
Mono
Plumas
San Benito
Shasta
Solano
Sonoma
Trinity
Yolo

SPECIAL DISTRICTS

Calaveras County Water District
California JPIA
Central Contra Costa Sanitary District
Central Contra Costa Transit Authority
Coachella Valley Water District
Coastside Fire Protection District
Contra Costa Mosquito & Vector Control District
Crestline Village Water District
Delta Diablo
Desert Recreation District
Eastern Sierra Community Services District
Fresno Irrigation District
Fresno Metropolitan Flood Control District
Glenn-Colusa Irrigation District
Great Basin Unified Air Pollution Control District
Hayward Area Recreation & Park District
Housing Authority of Florence, SC
Housing Authority of the County of San Bernardino
INTELECOM
Menlo Park Fire Protection District
Mesa Water District
Metropolitan Transportation Commission
Mid-Peninsula Water District
Mojave Desert Air Quality Management District
Montecito Fire Protection District
Monterey Bay Unified Air Pollution Control District
Municipal Water District of Orange County
Orange County Vector Control District
Orange County Water District
Placer County Resource Conservation District
Rancho Murieta Community Services District
Rowland Water District
Santa Barbara County Law Library
South Montebello Irrigation District

South Orange County Wastewater Authority
South Placer Fire Protection District
Southern Marin Fire Protection District
Superior Court of CA, County of Contra Costa
Superior Court of CA, County of Imperial
Superior Court of CA, County of Inyo
Superior Court of CA, County of Kern
Superior Court of CA, County of Marin
Superior Court of CA, County of Merced
Superior Court of CA, County of Orange
Superior Court of CA, County of San Mateo
Superior Court of CA, County of Shasta
Superior Court of CA, County of Siskiyou
Superior Court of CA, County of Sonoma
Tarrant Regional Water District
Vallejo Sanitation & Flood Control District
Ventura Regional Sanitation District
Walnut Valley Water District
West County Wastewater District
Western Riverside Council of Governments

SCHOOL DISTRICTS

Bass Lake Joint UESD
Bellflower USD
Calistoga Joint USD
Centinela Valley UHSD
Corning Union ESD
El Dorado UHSD
Fowler USD
John Swett USD
Lemon Grove SD
Manteca USD
Moreno Valley USD
Ontario-Montclair SD
Red Bluff Joint ESD
Red Bluff Joint UHSD
River Delta USD
Riverdale Joint USD
San Bruno Park SD
San Marino USD
Trona JUSD
Twin Rivers USD
Visalia USD

COMMUNITY COLLEGE DISTRICTS

State Center CCD
Yosemite CCD

PLAN REVIEW

Plan Overview

Type of Plan: IRC Section 115 Irrevocable Exclusive Benefit Trust

Trustee Approach: Discretionary

Plan Effective Date: January 1, 2011

Plan Administrator: Darlene Gillum– General Manager

Current Investment Strategy: Balanced Index PLUS

–Selected: 03/17/2011

–Initial contribution averaged in over a 3 month period

As of 11/30/2014:

Initial Contribution: March, 2011 – \$160,000

Additional Contributions: \$446,000

Total Contributions: \$606,000

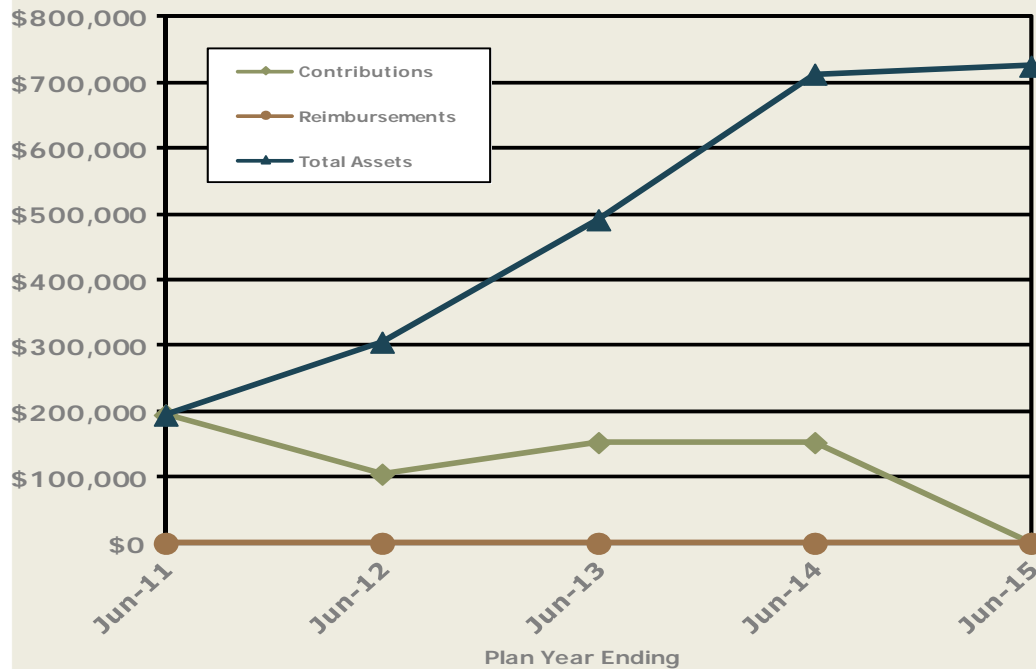
Disbursements: \$0

Total Investment Earnings: \$123,195

Account Balance: \$724,912

Summary of the Plan Activity

Rancho Murieta CSD
Total Assets, Contributions & Disbursements



Plan Year End	Contributions	Disbursements	Total Assets
Jun -11	\$195,000	\$0	\$194,764
Jun -12	\$105,000	\$0	\$305,568
Jun -13	\$153,000	\$0	\$491,540
Jun -14	\$153,000	\$0	\$522,274
Jun -15†	\$0	\$0	\$724,912

†Plan Year Ending June 2015 is based on 5 months of activity through 11/30/2014.

Actuarial Results

We have received the actuarial reports prepared by Nicolay Consulting Group dated March 19, 2014 with a valuation date as of July 1, 2013. In the tables below, we have summarized the results and projected future trust asset levels at various contribution levels.

Demographic Study

	July 1, 2007 Valuation	July 1, 2013 Valuation
Active Employees*	27	32
Retirees†	11	12
Total	38	44

July 1, 2007 Demographic Study

*Includes 19 represented employees and 8 unrepresented employees.

†Includes 5 represented retirees and 6 unrepresented retirees.

July 1, 2013 Demographic Study

*Includes 22 represented employees and 10 unrepresented employees.

†Includes 7 represented retirees and 5 unrepresented retirees.

Actuarial Results (continued)

	July 1, 2007 Valuation 5.00% Discount Rate Assumption (Pay-as-you-Go)	July 1, 2013 Valuation 7.00% Discount Rate Assumption (Prefunding)
Actuarial Accrued Liability (AAL)	\$2,047,949	\$2,235,060
Actuarial Value of Assets	\$0	\$491,540
Unfunded Actuarial Accrued Liability (UAAL)	\$2,047,949	\$1,743,520
Normal Cost	\$113,551	\$143,312
Amortization of UAAL	\$90,497	\$108,159
Annual Required Contribution (ARC)	\$204,048	\$251,471
Annual Benefit Payments (2014 Pay-as-you-Go)	\$62,895	\$55,142

INVESTMENT REVIEW

PARS: Rancho Murieta CSD

December 31, 2014

**Presented By
Andrew Brown, CFA**

DISCUSSION HIGHLIGHTS – Rancho Murieta CSD

Investment objective – Balanced HM Index Plus

Asset Allocation: PARS Balanced Index (As of 1-30-2015)

- Allocation Target – 60% stocks (50-70% range), 38% bonds (30-50% range), 2% cash (0-20% range)
- Large cap 30%, mid-cap 6%, small cap 9%, international 15%

Performance PARS Balanced Index

(as of 12-31-2014) gross of investment management fees, net of fund fees

- 3-months: 2.16%
- YTD: 6.01%
- Bonds – Short duration a negative for returns, High Yield removed in April, added back in November
- Stocks – International and small cap laggards, Large Cap and Mid Cap have been strong.

12-Month Changes

- Asset Allocation: Euro-Stoxx 50, SPDR Barclays HY Bond Fund.

Outlook 2015

- Oil
- International challenges – Japan and Europe, Emerging Markets
- U.S. holding up the world
- GDP est. 2.8% in 2015
- 1.65% CPI
- Unemployment 5.5%
- S&P 500 2160
- 10-yr yield 2.5%
- Fed Funds 1.0%; the end of 0% interest rates is near

Selected Period Performance
PARS/PRHCP BALANCED, INDEX PLUS
Account 6746019208
Period Ending: 12/31/2014

Sector	3 Months	Year to Date (1 Year)	3 Years	Since Inception (45 Months)
Cash Equivalents	.00	.02	.02	.02
<i>iMoneyNet, Inc. Taxable</i>	<i>.00</i>	<i>.01</i>	<i>.02</i>	<i>.02</i>
Total Fixed Income	1.26	4.70	2.66	3.39
<i>BC US Aggregate Bd Index</i>	<i>1.79</i>	<i>5.97</i>	<i>2.66</i>	<i>3.82</i>
Total Equities	2.80	7.06	17.32	10.82
Large Cap Funds	4.81	12.88	20.09	13.95
<i>S&P 500 Composite Index</i>	<i>4.93</i>	<i>13.69</i>	<i>20.41</i>	<i>14.34</i>
Mid Cap Funds	5.93	12.99	21.06	13.22
<i>Russell Midcap Index</i>	<i>5.94</i>	<i>13.22</i>	<i>21.40</i>	<i>13.47</i>
Small Cap Funds	9.90	6.12	20.38	13.57
<i>Russell 2000 Index</i>	<i>9.73</i>	<i>4.89</i>	<i>19.21</i>	<i>10.98</i>
International Equities	-4.52	-5.04	6.72	-1.09
<i>MSCI EAFE Index</i>	<i>-3.57</i>	<i>-4.90</i>	<i>11.06</i>	<i>2.60</i>
<i>MSCI EM Free Index</i>	<i>-4.50</i>	<i>-2.19</i>	<i>4.04</i>	<i>-3.63</i>
Total Managed Portfolio	2.16	6.01	11.11	7.80

Performance Inception: 04/2011

The initial contribution made in March 2011 was averaged in to the market over a three-month period of time

Returns are gross of fees unless otherwise noted. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.

ASSET ALLOCATION – Rancho Murieta CSD

As of December 31, 2014

Current Asset Allocation		Investment Vehicle	
Equity		Range: 50%-70%	59.67%
Large Cap Core	IVV	iShares S&P 500 Index Fund	12.67%
Large Cap Value	IVE	iShares S&P 500 Value Fund	8.63%
Large Cap Growth	IVW	iShares S&P 500 Growth Fund	8.61%
Mid Cap Value	IWS	iShares Russell MidCap Value Fund	2.59%
Mid Cap Growth	IWP	iShares Russell MidCap Growth Fund	2.59%
Small Cap Value	IJS	iShares S&P Small Cap 600 Value Fund	4.56%
Small Cap Growth	IJT	iShares S&P Small Cap 600 Growth Fund	4.55%
International Core	EFA	iShares MSCI EAFE Index Fund	8.68%
Tactical - Europe	FEZ	SPDR EURO STOXX 50 ETF	2.55%
Emerging Markets	VWO	Vanguard FTSE Emerging Markets ETF	4.24%
Fixed Income		Range: 30%-50%	37.47%
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund	9.41%
Intermediate-Term	AGG	iShares Barclays Aggregate Bond Fund	26.17%
High Yield	JNK	SPDR Barclays Capital High Yield Bond	1.89%
Cash		Range: 0%-20%	2.86%
	FPZXX	First American Prime Obligations Fund	2.86%
TOTAL			100.00%

RANCHO MURIETA CSD

For Period Ending December 31, 2014

LARGE CAP EQUITY FUNDS								
Fund Name	Inception	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
iShares S&P 500 Growth Index		-0.97	5.01	14.67	14.67	20.22	15.83	8.36
iShares S&P 500 Index Fnd		-0.25	4.92	13.62	13.62	20.34	15.37	7.62
iShares S&P 500 Value Index		0.54	4.75	12.14	12.14	20.15	14.65	6.59
MID CAP EQUITY FUNDS								
iShares Russell Midcap Growth	(2/10)	-0.30	5.79	11.68	11.68	20.48	16.71	9.21
iShares Russell Midcap Value	(2/10)	0.73	6.01	14.49	14.49	21.70	17.17	9.27
SMALL CAP EQUITY FUNDS								
iShares S&P Smallcap 600 Growth Fd		3.02	9.14	3.71	3.71	19.19	17.49	9.35
iShares S&P Smallcap 600 Value Fd		2.71	10.37	7.27	7.27	20.97	16.75	8.39
INTERNATIONAL EQUITY FUNDS								
iShares MSCI EAFE Index		-3.48	-3.63	-5.04	-5.04	10.93	5.21	4.32
Vanguard FTSE Emerging Markets ETF	(3/11)	-4.96	-3.68	0.60	0.60	4.33	1.91	--
DJ EURO STOXX 50 ETF	(6/14)	-6.24	-6.42	-9.73	-9.73	11.68	1.40	2.80
BOND FUNDS								
iShares Barclays Aggregate Bond		0.13	1.82	6.04	6.04	2.58	4.30	4.53
Vanguard Short-Term Investment-Grade Adm		-0.37	0.22	1.86	1.86	2.51	2.97	3.68
Barclays High Yield Bond ETF		-1.52	-2.06	0.77	0.77	6.57	7.76	--

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.

ADMINISTRATIVE REVIEW

Administrative Review

- ✓ Update on Program
- ✓ Administrator's Handbook
- ✓ Future Contributions
- ✓ Future Disbursement Requests- Options
- ✓ Agency's future actuarial valuation for GASB 45 compliance
- ✓ Investment Guidelines Document – Completed 2013
- ✓ Prefund Pension Obligations (115P) – New
- ✓ Client Funding Policy
- ✓ Client Feedback

ENCLOSURES



Investment Guidelines Document

Rancho Murieta Community Services District
Irrevocable Exclusive Benefits Trust

December 2013

Investment Guidelines Document

Scope and Purpose

The purpose of this Investment Guidelines Document is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's short- and long-term needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

Key Plan Sponsor Account Information as of October 31, 2013

Plan Sponsor:	Rancho Murieta Community Services District
Governance:	The Board of Directors of the Rancho Murieta Community Services District
Plan Name ("Plan"):	Rancho Murieta Other-Post Employment Benefits Plan
Trustee:	US Bank Contact: Fran Schoenfeld, 949-224-7204 fran.schoenfeld@usbank.com
Type of Account:	GASB 45/Other Post-Employment Benefits Trust
ERISA Status:	Not subject to ERISA
Market Value of Account:	\$522,000
Investment Manager:	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Andrew Brown, CFA, 415-705-7605 Andrew.brown@highmarkcapital.com

Investment Authority: Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

Investment Objectives and Constraints

The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should earn, on a long-term average basis, a rate of return equal to or in excess of the target rate of return of 7.75%.
- The Plan should seek to earn a return in excess of its policy benchmark over the long-term.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

Investment Time Horizon:	Long-term
Anticipated Cash Flows:	Distributions are expected to be low in the early years of the Plan.
Target Rate of Return:	7.75% annual target
Investment Objective:	The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the Balanced Objective, which has a dual goal to seek growth of income and principal.
Risk Tolerance:	<i>Moderate</i> The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

Strategic Asset Allocation: The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	30%-50%	50%-70%
Policy: 5%	Policy: 35%	Policy: 60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

Security Guidelines:

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	50%-70%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	20%-50%
Domestic Mid Cap Equity	0%-15%
Domestic Small Cap Equity	0%-20%
International Equity (incl. Emerging Markets)	0%-20%
Real Estate Investment Trust (REIT)	0%-10%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	30%-50%
<i>Fixed Income Style</i>	<i>Range</i>
Long-term bonds (maturities >7 years)	0%-20%
Intermediate-term bonds (maturities 3-7 years)	15%-50%
Short-Term bonds (maturities <3 years)	0%-15%
High Yield bonds	0%-8%

Performance Benchmarks:

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

- 32.00% S&P500 Index
- 6.00% Russell Mid Cap
- 9.00% Russell 2000
- 4.00% MSCI EM FREE
- 7.00% MSCI EAFE
- 2.00% Wilshire REIT
- 27.00% BC US Aggregate
- 6.75% ML 1-3 Year US Corp/Gov't
- 1.25% US High Yield Master II
- 5.00% Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

Large Cap Equity	S&P 500 Index
Growth	S&P 500 Growth Index
Value	S&P 500 Value Index
Mid Cap Equity	Russell MidCap Index
Growth	Russell MidCap Growth
Value	Russell MidCap Value
Small Cap Equity	Russell 2000 Index
Growth	Russell 2000 Growth
Value	Russell 2000 Value
REITs	Wilshire REIT
International Equity	MSCI EAFE
Investment Grade Bonds	BarCap US Aggregate Bond
High Yield	Credit Suisse High Yield

Security Selection

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub adviser.

Investment Limitations:

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions*
- Commodities Transactions Puts, calls, straddles, or other option strategies*
- Purchases of real estate, with the exception of REITs
- Derivatives, with exception of ETFs*

**Permissible in diversified mutual funds and exchange-traded funds*

Duties and Responsibilities

Responsibilities of Plan Sponsor

The Finance Committee of the Rancho Murieta Community Services District is responsible for:

- Confirming the accuracy of this Investment Guidelines Document, in writing.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.
- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.

Responsibilities of Trustee

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

Responsibilities of Investment Manager

The Investment Manager is responsible for:

- Assisting Finance Committee of the Rancho Murieta Community Services District with the development and maintenance of this Investment Policy Guideline document annually.
- Meeting with Finance Committee annually to review portfolio structure, holdings, and performance.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.
- Recommending changes to any of the above.

- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Preparing and presenting appropriate reports.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

Acknowledgement and Acceptance

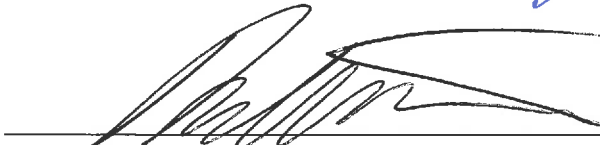
I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Guidelines Document, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Guidelines Document supersedes all previous versions of an Investment Guidelines Document or investment objective instructions that may have been executed for this account.



Plan Sponsor: Rancho Murieta Community Services District

Date: 3/20/14



Investment Manager: Andrew Brown, CFA, Senior Portfolio Manager, (415) 705-7605

Date: 3/13/14

MEMORANDUM

Date: February 13, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: General Manager's Report

The following are highlights since our last Board Meeting.

EMPLOYEE RELATIONS

I am waiting to hear back from Greg Ramirez, OE3 representative, on the District's most recent counter proposal. It is likely that this item will be pushed out to March.

FINANCE/IT

An offer was made and accepted for the Controller position late Monday, February 9, 2015. The prospective employee will be completing the pre-employment medical and background checks. We are targeting March 9, 2015 as the start date.

The CFD 2014-1 first draw of \$2,358,245 was received by our local bank on February 11, 2015. The draw process is not difficult and funds are transferred within 24 hours.

I met with Gary Parker, who represents Reynen & Bardis, to review the current status of the Water Treatment Plant Expansion Project. He requested the meeting subsequent to receiving the Letter of Credit draw requests and expressed concern that the request included close to nine (9) months of invoicing at one time; which is a lot of documentation to review. He also requested some documentation on the project budget and questioned the total budget reflected in the Letter of Credit (LOC) draw request backup. I will provide this information to him early next week. Until then, I will not submit our Letter of Credit demand to Wells Fargo.

COMMUNITY FACILITIES DISTRICT 2014-1

The February Pipeline will have a full article on the status of the CFD 2014-1, what it means to the current residents, and how it applies to the Water Treatment Plant Expansion Project.

SECURITY

Gate Officer Jeremy Hawk has submitted his notice of resignation to accept a new job as a registered nurse. Jeremy's last day will be Friday, February 20, 2015. I want to thank Jeremy for his thirteen (13) years of service with the District and wish him much success in his new endeavor.

Greg has posted the open Security Gate Officer position and will cover the vacancy by bringing the contract Security Officer back to fill in for Patrol while our Patrol Officers back-fill for gate operations.

The North Gate Lease Agreement is in my court. I will work with Greg on developing a list of items that need to be included in the lease agreement and then I will work with Richard Shanahan,

District General Counsel, on revisions to this first draft. After we have the first draft finished, Greg and I will meet with Rancho Murieta Association (RMA) to begin discussing the terms of the lease. I anticipate meeting with RMA sometime in the last half of February.

WATER

Water production at Plant 2 was up slightly from November at .7 mgd. Paul reports that the average gallons per day per connection for the month of January was approximately 276, up 22 gallons per day per connection.

As of February 11, 2015, our reservoirs are at 85.2% capacity. Staff has been running the two (2) 125 hp pumps since the weekend storm.

No word back from Peter Brundage, Sacramento LAFCO Executive Officer, regarding the approval request for the Out of Service Area Emergency Public Health Water Service Connection for the ranch at 15020 Jackson Road, which is adjacent to the District's service area.

WASTEWATER

The Wastewater Treatment Plant is offline for the winter season. Wastewater inflow in January was approximately 146 gpd per sewer connection.

DRAINAGE

Staff has inspected the entire drainage system to clear any blockages or potential debris from the culvert pipes to ensure adequate drainage flow.

SOLID WASTE

I have reached out to California Waste Recovery Systems about their ability to provide service to Rancho Murieta commercial establishments.

ENGINEERING

Augmentation Well

The Request for Bids for drilling the augmentation well(s) has been published, a pre-bid meeting was held on Friday, February 13, 2015, and the bid response date is February 27, 2015. Three (3) potential bidders attended the pre-bid meeting. Other interested bidders, if they were not able to attend today, can contact Paul to arrange a site visit. Right of Entry Agreements are still outstanding.

Murieta Gardens

Nothing new to report.

Retreats

I am working with Sacramento County Planning Department regarding release of permits for the model home construction and any impact due to the extension on the completion date of the Water Treatment Plant Expansion Project.

CONSERVATION

Paul reports that January usage is up slightly versus the past five (5) year average and was down 21.8% versus January of last year.

MEMORANDUM

Date: February 12, 2015
 To: Board of Directors
 From: Tracey Hays, Interim Controller
 Subject: Administration/Financial Reports

Enclosed is a combined financial summary report for **January 2015**. 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
Residences	0.0	2,513	2514	2514	2515	2516	2516	2515					
Weighted average		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	1922	2383	2403	2037	1573	1215	656	678					
Gallons per day	479	594	599	508	392	303	163	169					
Planning Usage GPD	583												

Lock-Offs - For the month of January, there were 20 lock-offs.

Aging Report – Delinquent accounts total \$52,712 which is 10.9% of the total accounts receivable balance of \$482,158. Past due receivables, as a percent of total receivables, have increased approximately 1.01% or \$3,319 since December.

Summary of Reserve Accounts as of January 31, 2015 – The District’s reserve accounts have increased \$316,609, year to date, since July 1, 2014. The increase is due to the reserve amounts collected in the Water, Sewer, and Security base rates and interest earned. The District has expended \$4,291,999 of reserves since the beginning of the fiscal year, which started July 1, 2014. The District will receive Letter of Credit and Bond funds in the amount of \$3,783,190 for reimbursement of WTP#1 Expansion Project expenditures. The total amount of reserves held by the District as of January 31, 2015 is \$4,717,549. Bond funds in the amount of \$2,358,245 have been received in early February. WTP #1 internal borrowing repayment totals to date are \$23,396 for sewer replacement reserves and \$7,799 for water augmentation reserves. Please see the Reserve Fund Balances table below for information by specific reserve account.

Reserve Fund Balances (beginning balances adjusted for WTP1 Construction Fund)

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2014</i>	<i>YTD Collected & Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Jan 31, 2015</i>
Water Capital Replacement (200-2505)	754,022	123,899	(7,610)	870,311
Sewer Capital Replacement (250-2505)	1,210,881	156,543	(42,295)	1,325,129
Drainage Capital Replacement (260-2505)	58,010	78	(2,352)	55,736
Security Capital Replacement (500-2505)	101,509	28,037	(8,746)	120,800
Admin Capital Replacement (xxx-2505-99)	38,381	0	(0)	38,381
Sewer Capital Improvement Connection (250-2500)	4,018	5	(0)	4,023
Capital Improvement (xxx-2510)	393,624	4,107	(0)	397,731
Water Supply Augmentation (200-2511)	1,756,479	19,239	(36,214)	1,739,504
WTP Construction Fund Reserve (200-2513)	4,358,245	31,486	(4,225,976)	163,755
Rate Stabilization (200/250/500-2515)	2,176	3	(0)	2,179
Total Reserves	8,677,345	363,397	(4,323,193)	4,717,549

Inter-fund Borrowing Balances

<i>Inter-fund Borrowing</i>	<i>Fiscal Yr Beg Balance July 1, 2014</i>	<i>YTD Interest</i>	<i>YTD Repayment</i>	<i>Period End Balance Jan 31, 2015</i>
Sewer Loan to WTP Construction Fund	1,500,000	17,442	(23,396)	1,494,046
WSA Loan to WTP Construction Fund	500,000	4,979	(7,799)	497,180
Total Inter-fund Borrowing	2,000,000	22,421	(31,195)	1,991,226

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 December 31, 2014		
1-Month	3-Months	1-Year
-0.57%	2.24%	6.03%

Financial Summary Report (year to date through January 31, 2015)

Revenues:

Water Charges, year-to-date, are **below** budget \$100,102 or **(8.4%)**

Sewer Charges, year-to-date, are **above** budget \$925 or **0.1%**

Drainage Charges, year-to-date, are **above** budget \$11 or **0.0%**

Security Charges, year-to-date, are **above** budget \$405 or **0.1%**

Solid Waste Charges, year-to-date, are **above** budget \$1,402 or **0.4%**

Total Revenues, which includes other income, property taxes and interest income year-to-date, are **below** budget **\$106,752 or (3.1%)** (due mostly to water conservation efforts).

Expenses: Year-to-date total operating expenses are **below** budget **\$219,002 or (6.5) %**. Year-to-date operational reserve expenditures total **\$10,627**. 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, year-to-date, are **below** budget **\$67,442 or (6.8%)**, prior to reserve expenditures. Most of the operating expense accounts are currently under budget with the largest variances occurring in power, chemicals, and maintenance and repair. These reductions are offset by increased wages and employer costs. Year-to-date \$7,610 of expenses have been incurred from reserves expenditures.

Sewer Expenses, year-to-date, are **below** budget by **\$89,069 or (14.6%)**, prior to reserve expenditures. Currently most of the operating expense accounts are under budget being offset by overages reflected in lab tests, equipment rental and permits. Year-to-date \$665 of expenses have been incurred from reserves expenditures.

Drainage Expenses, year-to-date, are **above** budget by **\$4,347 or 5.2%**. This variance to the budget is due mostly to increased wages, employer costs, and equipment rental. Year-to-date \$2,352 of expenses have been incurred from reserves expenditures.

Security Expenses, year-to-date, are **below** budget by **\$6,919 or (1.1%)**. This reduction is due mostly to staffing gaps in the patrol and gate personnel.

Solid Waste Expenses, year-to-date, are **above** budget by **\$2,076 or 0.6%**. This increase in the expenses is related to the mix of service (i.e., size of collection cart) versus the assumed mix used for budget development. There is also a corresponding overage in Solid Waste revenues.

General Expenses, year-to-date, are **below** budget by **\$61,995 or (8.3%)**. The variance to the budget is due primarily to the vacancy of the Director of Administration position, affecting both wages and employer costs. This variance is offset by legal and clerical services.

Net Income: Year-to-date unadjusted net income, before depreciation, is \$190,485. Net income/(Loss) adjusted for estimated depreciation expense is (\$444,483).

The YTD expected net operating income before depreciation, per the 2014-2015 budget is \$88,862.

Rancho Murieta Community Services District
Summary Budget Performance Report
YTD THROUGH JANUARY 2015

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
REVENUES								
Water Charges	33.3%	\$1,963,040	34.2%	\$1,190,591	\$1,090,489	32.3%	(\$100,102)	(8.4%)
Sewer Charges	21.8%	1,286,784	21.6%	750,393	751,318	22.3%	925	0.1%
Drainage Charges	3.1%	183,456	3.1%	107,016	107,027	3.2%	11	0.0%
Security Charges	20.1%	1,183,210	19.8%	690,200	690,605	20.5%	405	0.1%
Solid Waste Charges	10.7%	631,830	10.6%	368,564	369,966	11.0%	1,402	0.4%
Other Income	2.0%	119,810	2.0%	68,831	58,902	1.7%	(9,929)	(14.4%)
Interest Earnings	0.0%	1,190	0.0%	855	1,391	0.0%	536	62.7%
Property Taxes	8.8%	519,960	8.7%	303,311	303,311	9.0%		0.0%
Total Revenues	100.0%	5,889,280	100.0%	3,479,761	3,373,009	100.0%	(106,752)	(3.1%)
OPERATING EXPENSES								
Water/Sewer/Drainage								
Wages	13.8%	810,420	13.6%	461,900	472,711	14.9%	10,811	2.3%
Employer Costs	7.0%	412,790	7.1%	239,799	228,414	7.2%	(11,385)	(4.7%)
Power	6.9%	406,913	6.5%	221,060	193,949	6.1%	(27,111)	(12.3%)
Chemicals	4.1%	240,200	3.9%	133,050	88,368	2.8%	(44,682)	(33.6%)
Maint & Repair	5.9%	345,470	5.5%	187,445	140,224	4.4%	(47,221)	(25.2%)
Meters/Boxes	0.9%	54,000	0.8%	28,250	17,079	0.5%	(11,171)	(39.5%)
Lab Tests	1.3%	74,250	1.1%	38,750	46,447	1.5%	7,697	19.9%
Permits	1.1%	65,600	1.5%	51,100	61,627	1.9%	10,527	20.6%
Training/Safety	0.3%	19,752	0.4%	12,425	6,000	0.2%	(6,425)	(51.7%)
Equipment Rental	0.9%	50,500	0.9%	29,350	37,992	1.2%	8,642	29.4%
Other	8.1%	474,144	8.2%	278,008	236,162	7.4%	(41,846)	(15.1%)
Subtotal Water/Sewer/Drainage	50.2%	2,954,039	49.6%	1,681,137	1,528,973	48.2%	(152,164)	(9.1%)
Security								
Wages	10.8%	637,600	10.8%	366,000	359,509	11.3%	(6,491)	(1.8%)
Employer Costs	6.1%	357,500	6.1%	207,450	195,875	6.2%	(11,575)	(5.6%)
Off Duty Sheriff Patrol	0.1%	6,000	0.1%	3,500	5,837	0.2%	2,337	66.8%
Other	1.6%	93,910	1.4%	48,607	57,417	1.8%	8,810	18.1%
Subtotal Security	18.6%	1,095,010	18.4%	625,557	618,638	19.5%	(6,919)	(1.1%)
Solid Waste								
CWRS Contract	9.3%	549,840	9.5%	320,740	322,745	10.2%	2,005	0.6%
Sacramento County Admin Fee	0.6%	34,920	0.6%	20,370	20,441	0.6%	71	0.3%
HHW Event	0.2%	12,000	0.0%			0.0%		0.0%
Subtotal Solid Waste	10.1%	596,760	10.1%	341,110	343,186	10.8%	2,076	0.6%
General / Admin								
Wages	9.4%	552,900	9.6%	325,700	238,857	7.5%	(86,843)	(26.7%)
Employer Costs	5.2%	305,000	5.3%	178,850	123,481	3.9%	(55,369)	(31.0%)
Insurance	1.3%	77,290	1.3%	45,083	47,633	1.5%	2,550	5.7%
Legal	0.5%	30,000	0.5%	17,500	44,487	1.4%	26,987	154.2%
Office Supplies	0.4%	22,800	0.4%	13,300	12,307	0.4%	(993)	(7.5%)
Director Meetings	0.3%	18,000	0.3%	10,500	9,200	0.3%	(1,300)	(12.4%)
Telephones	0.1%	4,800	0.1%	2,800	3,011	0.1%	211	7.5%
Information Systems	1.3%	79,400	1.6%	54,310	55,346	1.7%	1,036	1.9%
Community Communications	0.1%	5,900	0.1%	3,150	1,346	0.0%	(1,804)	(57.3%)
Postage	0.4%	22,202	0.4%	12,951	11,319	0.4%	(1,632)	(12.6%)
Janitorial/Landscape Maint	0.3%	17,820	0.3%	10,395	13,288	0.4%	2,893	27.8%
Other	1.8%	107,171	2.0%	68,556	120,825	3.8%	52,269	76.2%
Subtotal General / Admin	21.1%	1,243,283	21.9%	743,095	681,100	21.5%	(61,995)	(8.3%)
Total Operating Expenses	100.0%	5,889,092	100.0%	3,390,899	3,171,897	100.0%	(219,002)	(6.5%)
Operating Income (Loss)	100.0%	188	100.0%	88,862	201,112	100.0%	112,250	126.3%
Non-Operating Expenses								
Water Reserve Expenditure	0.0%		0.0%		7,610	71.6%	7,610	0.0%
Sewer Reserve Expenditure	0.0%		0.0%		665	6.3%	665	0.0%
Drainage Reserve Expenditure	0.0%		0.0%		2,352	22.1%	2,352	0.0%
Total Non-Operating Expenses	0.0%		0.0%		10,627	100.0%	10,627	0.0%
Net Income (Loss)	100.0%	188	100.0%	88,862	190,485	100.0%	101,623	114.4%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH JANUARY 2015

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
WATER								
REVENUES								
Water Charges	98.5%	\$1,963,040	98.6%	\$1,190,591	\$1,090,489	98.1%	(\$100,102)	(8.4%)
Interest Earnings	0.0%	80	0.0%	60	821	0.1%	761	1,268.3%
Other Income	1.5%	29,460	1.4%	17,185	20,311	1.8%	3,126	18.2%
Total Water Revenues	100.0%	1,992,580	100.0%	1,207,836	1,111,621	100.0%	(96,215)	(8.0%)
EXPENSES (excluding depreciation)								
Wages	25.5%	437,630	25.3%	249,426	291,959	31.7%	42,533	17.1%
Employer Costs	13.0%	223,220	13.1%	129,651	140,884	15.3%	11,233	8.7%
Power	14.7%	252,702	13.4%	132,362	123,584	13.4%	(8,778)	(6.6%)
Chemicals	7.3%	124,500	7.2%	70,840	52,535	5.7%	(18,305)	(25.8%)
T&O - Chemicals/Treatment	3.0%	51,000	3.2%	31,900	14,411	1.6%	(17,489)	(54.8%)
Maint & Repair	9.4%	161,070	9.3%	92,195	65,602	7.1%	(26,593)	(28.8%)
Meters/Boxes	3.1%	54,000	2.9%	28,250	17,079	1.9%	(11,171)	(39.5%)
Lab Tests	2.1%	36,000	1.8%	17,500	6,195	0.7%	(11,305)	(64.6%)
Permits	1.9%	32,000	1.8%	17,500	20,717	2.3%	3,217	18.4%
Training/Safety	0.4%	7,500	0.4%	4,375	1,750	0.2%	(2,625)	(60.0%)
Equipment Rental	1.7%	30,000	1.5%	15,000	17,232	1.9%	2,232	14.9%
Other Direct Costs	17.9%	307,364	20.1%	198,419	168,028	18.3%	(30,391)	(15.3%)
Operational Expenses	100.0%	1,716,986	100.0%	987,418	919,976	100.0%	(67,442)	(6.8%)
Water Income (Loss)	16.1%	275,594	22.3%	220,418	191,645	20.8%	(28,773)	(13.1%)
38.9% Net Admin Alloc	16.0%	275,492	17.0%	168,055	144,901	15.8%	(23,154)	(13.8%)
Reserve Expenditures	0.0%		0.0%		7,610	0.8%	7,610	0.0%
Total Net Income (Loss)	0.0%	102	5.3%	52,363	39,134	4.3%	(13,229)	(25.3%)
SEWER								
REVENUES								
Sewer Charges	98.4%	1,286,784	98.4%	750,393	751,318	98.9%	925	0.1%
Interest Earnings	0.0%	140	0.0%	90	39	0.0%	(51)	(56.7%)
Other Income	1.5%	20,190	1.5%	11,774	8,625	1.1%	(3,149)	(26.7%)
Total Sewer Revenues	100.0%	1,307,114	100.0%	762,257	759,982	100.0%	(2,275)	(0.3%)
EXPENSES (excluding depreciation)								
Wages	28.8%	316,060	29.5%	180,141	136,038	26.1%	(44,103)	(24.5%)
Employer Costs	14.7%	160,720	15.3%	93,386	68,357	13.1%	(25,029)	(26.8%)
Power	12.9%	141,021	13.4%	81,819	67,041	12.9%	(14,778)	(18.1%)
Chemicals	6.4%	70,300	5.4%	32,660	31,830	6.1%	(830)	(2.5%)
Maint & Repair	15.7%	172,500	14.5%	88,250	72,298	13.9%	(15,952)	(18.1%)
Lab Tests	3.5%	38,250	3.5%	21,250	40,252	7.7%	19,002	89.4%
Permits	2.6%	28,600	4.7%	28,600	35,084	6.7%	6,484	22.7%
Training/Safety	1.1%	12,200	1.3%	8,050	4,250	0.8%	(3,800)	(47.2%)
Equipment Rental	1.5%	16,000	1.7%	10,350	11,686	2.2%	1,336	12.9%
Other Direct Costs	12.9%	141,040	10.8%	65,824	54,425	10.4%	(11,399)	(17.3%)
Operational Expenses	100.0%	1,096,691	100.0%	610,330	521,261	100.0%	(89,069)	(14.6%)
Sewer Income (Loss)	19.2%	210,423	24.9%	151,927	238,721	45.8%	86,794	57.1%
29.7% Net Admin Alloc	19.2%	210,336	21.0%	128,308	110,632	21.2%	(17,676)	(13.8%)
Reserve Expenditures	0.0%		0.0%		665	0.1%	665	0.0%
Total Net Income (Loss)	0.0%	87	3.9%	23,619	127,424	24.4%	103,805	439.5%
DRAINAGE								
REVENUES								
Drainage Charges	100.0%	183,456	100.0%	107,016	107,027	100.0%	11	0.0%
Interest Earnings	0.0%	50	0.0%	35	(12)	0.0%	(47)	(134.3%)
Total Drainage Revenues	100.0%	183,506	100.0%	107,051	107,015	100.0%	(36)	0.0%
EXPENSES (excluding depreciation)								
Wages	40.4%	56,730	38.8%	32,333	44,714	51.0%	12,381	38.3%
Employer Costs	20.6%	28,850	20.1%	16,762	19,173	21.9%	2,411	14.4%
Power	9.4%	13,190	8.2%	6,879	3,324	3.8%	(3,555)	(51.7%)
Chemicals	3.8%	5,400	3.8%	3,150	1,763	2.0%	(1,387)	(44.0%)
Maint & Repair	8.5%	11,900	8.4%	7,000	2,324	2.6%	(4,676)	(66.8%)
Permits	3.6%	5,000	6.0%	5,000	5,826	6.6%	826	16.5%
Equipment Rental	3.2%	4,500	4.8%	4,000	9,074	10.3%	5,074	126.9%
Other Direct Costs	10.5%	14,792	9.9%	8,265	1,538	1.8%	(6,727)	(81.4%)
Operational Expenses	100.0%	140,362	100.0%	83,389	87,736	100.0%	4,347	5.2%
Drainage Income (Loss)	30.7%	43,144	28.4%	23,662	19,279	22.0%	(4,383)	(18.5%)
6.1% Net Admin Alloc	30.8%	43,200	31.6%	26,353	22,722	25.9%	(3,631)	(13.8%)
Reserve Expenditures	0.0%		0.0%		2,352	2.7%	2,352	0.0%
Total Net Income (Loss)	0.0%	(56)	-3.2%	(2,691)	(5,795)	-6.6%	(3,104)	115.3%
SECURITY								
REVENUES								
Security Charges	95.5%	1,183,210	95.5%	690,200	690,605	96.5%	405	0.1%
Interest Earnings	0.0%	400	0.0%	300	217	0.0%	(83)	(27.7%)

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH JANUARY 2015

	% of Annual		% of YTD		YTD Actuals	% of Total	YTD VARIANCE	
	Total	Budget	Total	Budget			Amount	%
Other Income	4.5%	\$55,160	4.5%	\$32,172	\$24,810	3.5%	(\$7,362)	(22.9%)
Total Security Revenues	100.0%	1,238,770	100.0%	722,672	715,632	100.0%	(7,040)	(1.0%)
EXPENSES (excluding depreciation)								
Wages	58.2%	637,600	58.5%	366,000	359,509	58.1%	(6,491)	(1.8%)
Employer Costs	32.6%	357,500	33.2%	207,450	195,875	31.7%	(11,575)	(5.6%)
Equipment Repairs	0.4%	4,400	0.4%	2,569	1,435	0.2%	(1,134)	(44.1%)
Vehicle Maintenance	0.6%	6,700	0.6%	3,900	7,473	1.2%	3,573	91.6%
Vehicle Fuel	1.9%	20,550	1.9%	11,785	12,072	2.0%	287	2.4%
Off Duty Sheriff Patrol	0.5%	6,000	0.6%	3,500	5,837	0.9%	2,337	66.8%
Other	5.7%	62,260	4.9%	30,353	36,437	5.9%	6,084	20.0%
Operational Expenses	100.0%	1,095,010	100.0%	625,557	618,638	100.0%	(6,919)	(1.1%)
Security Income (Loss)	13.1%	143,760	15.5%	97,115	96,994	15.7%	(121)	(0.1%)
20.3% Net Admin Alloc	13.1%	143,765	14.0%	87,699	75,625	12.2%	(12,074)	(13.8%)
Total Net Income (Loss)	0.0%	(5)	1.5%	9,416	21,369	3.5%	11,953	126.9%
SOLID WASTE REVENUES								
Solid Waste Charges	99.9%	631,830	99.9%	368,564	369,966	99.9%	1,402	0.4%
Interest Earnings	0.1%	400	0.1%	300	197	0.1%	(103)	(34.3%)
Total Solid Waste Revenues	100.0%	632,230	100.0%	368,864	370,163	100.0%	1,299	0.4%
EXPENSES (excluding depreciation)								
CWRS Contract	92.1%	549,840	94.0%	320,740	322,745	94.0%	2,005	0.6%
Sacramento County Admin Fee	5.9%	34,920	6.0%	20,370	20,441	6.0%	71	0.3%
HHW Event	2.0%	12,000	0.0%			0.0%		0.0%
Operational Expenses	100.0%	596,760	100.0%	341,110	343,186	100.0%	2,076	0.6%
Solid Waste Income (Loss)	5.9%	35,470	8.1%	27,754	26,977	7.9%	(777)	(2.8%)
5.0% Net Admin Alloc	5.9%	35,410	6.3%	21,601	18,625	5.4%	(2,976)	(13.8%)
Total Net Income (Loss)	0.0%	60	1.8%	6,153	8,352	2.4%	2,199	35.7%
OVERALL NET INCOME(LOSS)	100.0%	188	100.0%	88,860	190,484	100.0%	101,624	114.4%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

CASH BALANCE AS OF January 31, 2015

INSTITUTION	YIELD	BALANCE
CSD FUNDS		
<i>EL DORADO SAVINGS BANK</i>		
SAVINGS	0.03%	\$ 245,268.74
CHECKING	0.02%	\$ 64,650.59
PAYROLL	0.02%	\$ 9,218.76
<i>AMERICAN WEST BANK</i>		
EFT	0.05%	\$ 3,919.12
<i>LOCAL AGENCY INVESTMENT FUND (LAIF)</i>		
UNRESTRICTED		\$ -
RESTRICTED RESERVES	0.23%	\$ 6,257,804.30
<i>CALIFORNIA ASSET MGMT (CAMP)</i>		
OPERATION ACCOUNT	0.06%	\$ 598,337.42
<i>UNION BANK</i>		
PARS GASB45 TRUST (balance as of 12/31/14)		\$ 720,714.42
TOTAL		\$ 7,899,913.35

BOND FUNDS

COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)

<i>BANK OF AMERICA</i>		
CHECKING	N/A	\$ 366,829.96
<i>CALIFORNIA ASSET MGMT (CAMP)</i>		
SPECIAL TAX	0.05%	\$ 8,306.48
<i>US BANK</i>		
SPECIAL TAX REFUND	0.00%	\$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	\$ -

COMMUNITY FACILITIES DISTRICT NO. 2014-1 (CFD)

<i>BANK OF AMERICA</i>		
CHECKING	N/A	\$ 57,607.62
		\$ 432,744.06

TOTAL ALL FUNDS \$ 8,332,657.41

The investments comply with the CSD adopted investment policy.

PREPARED BY: Tracey Hays
Interim Controller

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Security Report for the Month of January 2015

OPERATIONS

Longtime Gate Officer Jeremy Hawk has turned in his resignation. Jeremy has accepted a job as a registered nurse (RN) in the Clearlake area. Jeremy has been with the District for 13 years, primarily on swing shift. We wish Jeremy success in his new job.

The two (2) new Security Officers are settling in well.

The Security Patrol Officer is still out on medical leave. There is no tentative return date.

INCIDENTS OF NOTE

January 1, Thursday, reported at 1:43 p.m. on Feathery Court. Assault and battery occurred the previous night at a nearby house. Referred to Sacramento Sheriff's Department (SSD) for report.

January 1, Thursday, reported at 3:53 p.m. on Murieta Parkway. California Highway Patrol (CHP) responded and arrested an adult resident for suspected hit and run and DUI. No injuries were reported.

January 5, Monday, reported at 3:29 p.m. on Terreno Drive. Known suspect took medication from a home. All parties advised of options.

January 7, Wednesday, reported at 6:12 p.m. on Seguridad Drive. Theft of gas from a vehicle parked in the driveway. Gas cap and hose found on the ground next to vehicle.

January 11, Sunday, reported at 11:14 p.m. at the El Gallo Restaurant. Vandalism. A hole was found in a window, possible from a bb gun.

January 16, Friday, reported at 7:45 p.m. on Murieta South Parkway. A suspected DUI driver collided with another vehicle while driving outbound on Murieta South Parkway. CHP responded and arrested the resident driver for DUI. No injuries were reported.

January 17. Saturday, reported at 2:03 p.m. at the Gazebo Restroom building. Three (3) resident juveniles suspected of throwing rocks onto the roof, damaging the roof tiles. Parents and Rancho Murieta Association (RMA) notified.

January 17, Saturday, reported at 5:33 p.m. at Clementia Lake. Report that a subject with an assault rifle pointed it at another resident and also verbally threatened Security Officers. SSD responded and arrested an 18 year old resident for several weapons charges.

During the month of January, District Security Patrol Officers also responded to complaints of loud parties, disturbances and trespassing.

RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING

The meeting was held on January 5, 2015 at the Rancho Murieta Association (RMA) office. The Committee discussed chickens in the community. Sacramento County Code Enforcement received a complaint about chickens being kept in the community. There are permit and zoning requirements to keep chickens in residential areas of Sacramento County. A letter will be sent to those who presently house chickens. There was one (1) hearing regarding a resident who said numerous neighbors leave their garage doors open and garbage cans out. Compliance Officer Larry Turner will follow up on the complaints. The next meeting is scheduled for February 3, 2015.

MEMORANDUM

Date: February 11, 2015
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Water/Wastewater/Drainage Report

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

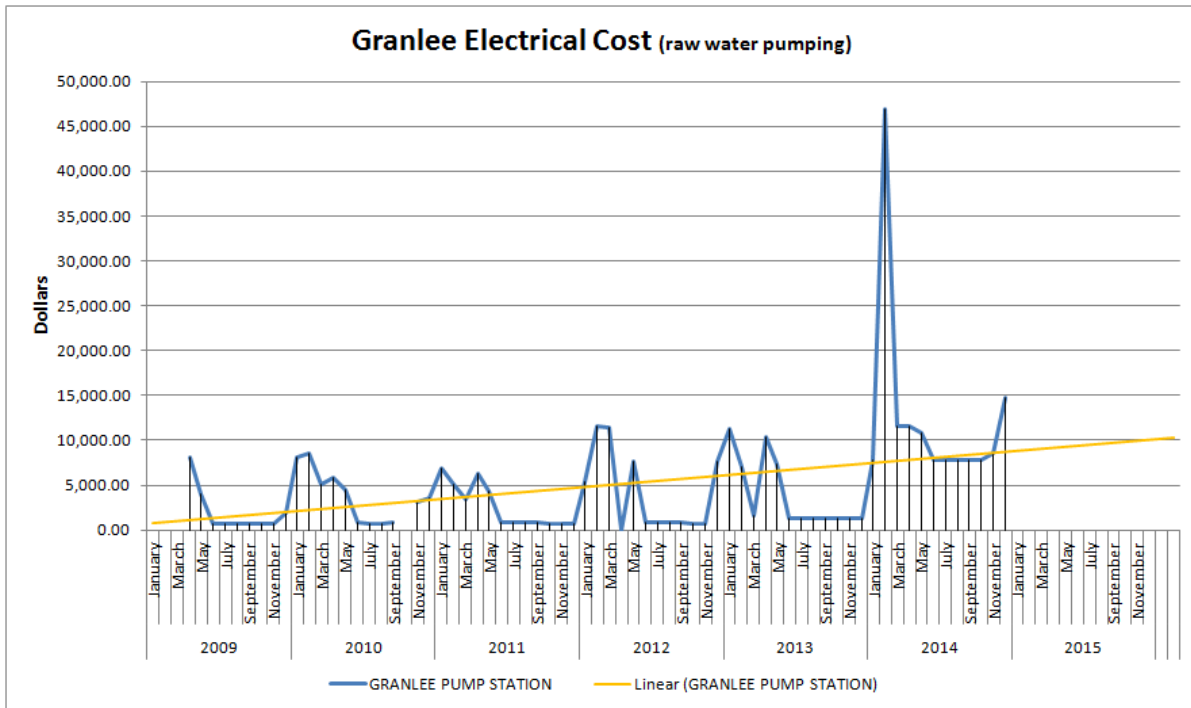
WATER

Water Plant #1 is offline and under rehabilitation. Water Treatment Plant #2 is set at 0.8 million gallons per day (MGD), currently operating an average of 22 hours per day for an average production flow of 0.73 MGD. Total potable water production for January 2015 was approximately 22.4 (MG) or 68.7 acre-feet (AF). This is approximately 276 gallons per day per connection, up from 254 in December 2014.

Water treatment plant production for January 2015 was up 0.7% vs. the past five (5) year average and decreased 21.8% vs. January of last year. As this past January we only received 0.30" of rain and it was unseasonably warm, some of the community began irrigating again. So far in February we have received 3.58" of rain.

WATER SOURCE OF SUPPLY

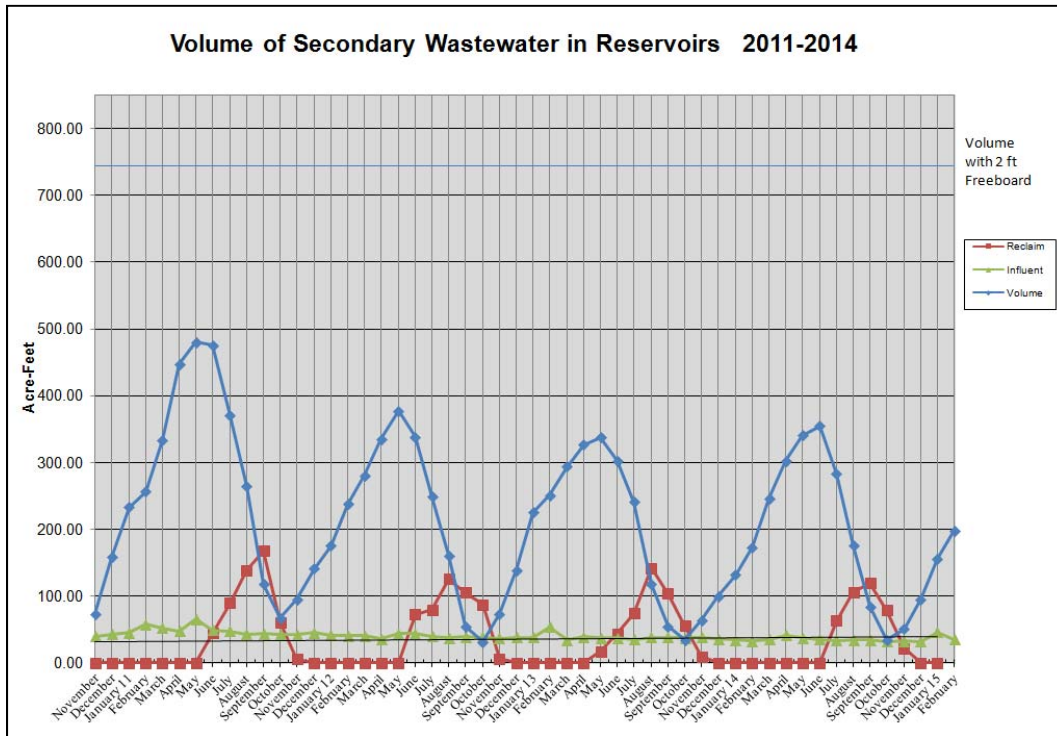
For this diversion season we have pumped 161 MG (494.2 AF) from the Cosumnes River to our storage reservoirs. Today the reservoirs are at 85.2 percent capacity as measured to the reservoir spillway. We are currently diverting water from the Cosumnes River to our storage reservoir utilizing our two 125 hp pumps and should be full to our spillways in approximately fifty (50) days. Direct rainfall to our reservoirs will make them fill quicker, high water demand and evaporation may slow it down. As the river flow should stay sustained for this period due to recent rains, we are not pumping with our 500 hp pumps to avoid the severe electrical demand surcharge from SMUD which we experienced last year which carried through as a monthly charge of \$7,770 for 12 months as illustrated by graph below.



On February 11, 2015, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured approximately 1,293 MG (3,968 AF) of which 1,293 MG (3,465.8 AF) is usable due to dead storage. For Calero and Chesbro Reservoirs alone, the storage measured 988.5 MG (3,033 AF), or 939.1 MG (2,580.8 AF) usable. For reference, an average year’s production has been 580.1 MG (1,781 AF).

WASTEWATER TREATMENT, COLLECTION AND RECLAMATION

Influent wastewater flow averaged 0.431 million gallons a day, for a total of 11.54 MG, (35.4 AF) for the month of January. This is approximately 146 gpd per sewer connection. Secondary wastewater storage measured 67.7 MG (222.8 AF) on February 11, 2015 of which 49.1 MG (207.8 acre-feet) is usable volume. No tertiary recycled water was delivered the Rancho Murieta Country Club (RMCC) in January as the tertiary recycling plant is off for the winter season. The graph below shows where our secondary storage is comparable to previous years, measured on the first Wednesday of each month.



Sewer line maintenance this past month by staff included 12,000 ft of sewer line cleaning in South Units 1-A, 2-A, 1-B, 2-B, 5, 7 and 9, and video inspections of sewer lines.

DRAINAGE / CIA DITCH

Staff has been conducting pre-, during, and post stormwater inspections. The entire drainage system has been inspected to ensure that there were no blockages or potential for debris to block culvert pipes to ensure drainage flow. Additional cutting of vegetation in drainage ditches and stormwater detention basins was done as time and projects allowed such as in drainage zone 3-F and V-ditch behind Chesbro Reservoir.

WATER METERING AND UTILITY STAFF WORK

Utility staff replaced sixteen (16) ¾" water meters, one (1) 1" water meter, and five (5) MXUs. Staff repaired four (4) water service lines and three (3) leaking meter gaskets. Also completed were backflow repairs, including replacing a 2" backflow for the administration building, pairing a damaged fire hydrant at the north west end of Clementia, eleven (11) underground service alerts, six (6) toilet rebate inspections, two (2) hot water recirculating pump rebate inspections, and thirty-six (36) Utility Star service orders.

OTHER PROJECTS

Augmentation Well

The Augmentation Well Drilling Project has been posted on the Bay Area and Sacramento Builder's Exchange this week. The Equipping portion of the project will put out to bid after the test wells provide the information for final well development.

We are still waiting on Right-of-Entry agreements from the property owners for the potential well sites.

Murieta Gardens

No work is anticipated in the near future due to work site being flooded from previous rainfall.

RECEIVED
RANCHO MURIETA
COMM. SERV. DIST.

Murieta Village Homeowners Association

14751 Poncho Conde Circle Rancho Murieta, CA 95683

916-354-2925

January 20, 2015

RE: CSD Cameras on Murieta Drive

Dear Gerald Pasek, Betty Ferraro, Paul Gumbinger, Michael Martel and Mark Pecotich,

After last months meeting we were informed that we could submit a request for security cameras at the two entrances to the Village for your approval. The Murieta Village Board would like you to include these locations when you are installing the security cameras for the community.

We feel that this would not only help the Village but would address issues that you have on Murieta Drive and Cantova Way.

Thank you in advance for your consideration.

Sincerely,



Pat Mellor
President
Murieta Village

MEMORANDUM

Date: February 13, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Consideration of January 30, 2015 Claim Against District Submitted by Rancho Murieta Association

RECOMMENDED ACTION

Deny claim from Rancho Murieta Association requesting the District defend and indemnify them in the Pappas lawsuit.

BACKGROUND

Rhonda Pappas has filed a lawsuit against the District relating to an injury at the north gate. Rancho Murieta Association (RMA) also was named in the lawsuit. The District recently received a claim from RMA in which it asserts that the District has an obligation to defend and indemnify RMA in the litigation. Staff recommends that the Board deny the claim.

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Finance Committee Staff
Subject: Receive and File 2013-2014 Rancho Murieta Community Services District Annual Audit Report

RECOMMENDED ACTION

No action - receive and file.

BACKGROUND

Enclosed is the *draft* audit report related to the 2013-2014 fiscal year. Mr. Bain will attend the February 18, 2015 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, 2014

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

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LARRY BAIN, CPA

An Accounting Corporation

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

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, 2014, 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 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 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, 2014, 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.

Other Information

The Schedules of Operating Revenues and Operating Expenses for the Water, Sewer, Drainage, Solid Waste and Security Funds, 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
September 23, 2013

MD&A WILL BE INCLUDED WITH FINAL REPORT

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Net Position - Proprietary Funds
June 30, 2014
(With Comparative Totals for June 30, 2013)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 681,369	\$ 398,183	\$ 66,597
Accounts receivable	264,561	204,793	26,720
Grants receivable	52,085		
Interest receivable	107	201	216
Prepaid Expenses	51,708	12,711	2,228
Due from developers	47,519	7,393	
Total Current Assets	1,097,349	623,281	95,761
Capital Assets - net of accumulated depreciation	8,315,508	11,334,380	
Other Assets:			
Cash and investments -designated	5,184,766	2,754,963	389,633
Interest receivable - designated	1,898	468	
Total Other Assets	5,186,664	2,755,431	389,633
Total Assets	14,599,521	14,713,092	485,394
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	79,390	66,644	4,805
Accrued payroll	30,562	42,864	9,265
Post retirement medical liability	29,829	20,942	3,870
Deposits	540,912	88	18
Deferred revenue	7,382	5,636	1,158
Capital lease			
Total Current Liabilities	688,075	136,174	19,116
Noncurrent Liabilities:			
Capital lease			
Compensated absences	31,161	23,111	4,439
Total Liabilities	719,236	159,285	23,555
<u>Net Position</u>			
Invested in capital assets, net of related debt	8,315,508	11,334,380	
Net Assets:			
Unrestricted	5,564,777	3,219,427	461,839
Total Net Position	\$ 13,880,285	\$ 14,553,807	\$ 461,839

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

		Totals	
Solid Waste Fund	Security Fund	2014	2013
\$ 218,326	\$ 384,365	\$ 1,748,840	\$ 1,168,872
63,049	163,453	722,576	813,896
		52,085	52,085
83	105	712	582
1,345	13,723	81,715	69,261
		54,912	144,347
282,803	561,646	2,660,840	2,249,043
	276,570	19,926,458	19,757,798
1,921	107,457	8,438,740	8,540,993
	59	2,425	2,755
1,921	107,516	8,441,165	8,543,748
284,724	945,732	31,028,463	30,550,589
101,196	11,722	263,757	389,414
3,001	36,638	122,330	71,672
1,023	29,608	85,272	42,313
15	59	541,092	34,534
949	3,852	18,977	18,498
	2,233	2,233	2,233
106,184	84,112	1,033,661	558,664
	2,635	2,635	5,065
1,889	40,961	101,561	101,256
108,073	127,708	1,137,857	664,985
	276,570	19,926,458	19,757,798
176,651	541,454	9,964,148	10,127,806
<u>\$ 176,651</u>	<u>\$ 818,024</u>	<u>\$ 29,890,606</u>	<u>\$ 29,885,604</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Operating Revenues:			
Service charges	\$ 1,779,863	\$ 1,238,471	\$ -
Special taxes			180,097
Other charges	27,311	22,494	698
Total Operating Revenues	<u>1,807,174</u>	<u>1,260,965</u>	<u>180,795</u>
Operating Expenses:			
Source of supply	181,790		
Treatment	516,405		
Transmission and distribution	552,095		
Sewer collection		219,090	
Sewer treatment and disposal		485,580	
Drainage			124,830
Gate services			
Patrol services			
Solid waste			
General and administrative	878,821	597,779	82,685
Depreciation	482,665	586,403	
Total Operating Expenses	<u>2,611,776</u>	<u>1,888,852</u>	<u>207,515</u>
Operating Income (Loss)	<u>(804,602)</u>	<u>(627,887)</u>	<u>(26,720)</u>
Non-operating Revenues (Expenses):			
Taxes	202,603	154,686	31,771
Capital reserve fees	183,059	271,281	
Debt reserve fee	177,700	120,313	
Interest revenue	9,843	4,366	963
Rent			
Water augmentation			
Gain (Loss) on disposal of capital assets			
Refunds and reimbursements			
Interest expense			
Grant revenue			
Miscellaneous	31,170	3,278	966
Total Non-operating Revenues (Expenses)	<u>604,375</u>	<u>553,924</u>	<u>33,700</u>
Special Item			
CFD #1 Project Reimbursement	279,978		
Change in Net Position	79,751	(73,963)	6,980
Net Position, Beginning of Fiscal Year	13,800,534	14,627,770	454,859
Prior Period Adjustments			
Net Position, End of Fiscal Year	<u>\$ 13,880,285</u>	<u>\$ 14,553,807</u>	<u>\$ 461,839</u>

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

		Totals	
Solid Waste Fund	Security Fund	2014	2013
\$ 622,521	\$ -	\$ 3,640,855	\$ 3,701,611
	1,186,112	1,366,209	1,343,985
	55,289	105,792	111,968
<u>622,521</u>	<u>1,241,401</u>	<u>5,112,857</u>	<u>5,157,564</u>
		181,790	143,990
		516,405	454,874
		552,095	515,105
		219,090	222,430
		485,580	657,710
		124,830	122,880
	513,651	513,651	485,705
	414,365	414,365	401,547
580,068		580,068	593,003
63,712	400,033	2,023,030	1,887,139
	33,378	1,102,446	1,115,662
<u>643,780</u>	<u>1,361,427</u>	<u>6,713,350</u>	<u>6,600,045</u>
<u>(21,258)</u>	<u>(120,026)</u>	<u>(1,600,493)</u>	<u>(1,442,481)</u>
26,041	105,728	520,829	491,660
		454,340	455,030
		298,013	78,544
376	756	16,304	26,091
			-
			4,521
			3,574
			12,225
	(387)	(387)	(534)
			52,085
	1,004	36,418	17,261
<u>26,417</u>	<u>107,101</u>	<u>1,325,517</u>	<u>1,140,457</u>
		279,978	-
5,159	(12,925)	5,002	(302,024)
171,492	830,949	29,885,604	30,209,377
			(21,749)
<u>\$ 176,651</u>	<u>\$ 818,024</u>	<u>\$ 29,890,606</u>	<u>\$ 29,885,604</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Cash Flows from Operating Activities:			
Receipts from customers	\$ 2,423,153	\$ 1,276,864	\$ 186,115
Payments to employees	(1,000,909)	(614,144)	(117,269)
Payments to suppliers	(1,200,441)	(696,337)	(83,009)
Net Cash Provided By (Used In) Operating Activities	221,803	(33,617)	(14,163)
Cash Flows from Non-capital Financing Activities:			
Taxes received	202,603	154,686	31,771
Grants			
Debt reserve fee	177,700	120,313	
Miscellaneous	31,170	3,278	966
Net Cash Provided By (Used In) Non-capital Financing Activities	411,473	278,277	32,737
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(573,825)	(697,280)	
Cash received from sale of assets	-	-	
CFD #1 project reimbursement	279,978		
Reduction of debt			
Capital reserve fees	183,059	271,281	
Net Cash Provided By (Used In) Capital and Related Financing Activities	(110,788)	(425,999)	
Cash Flows from Investing Activities:			
Interest received	9,928	4,433	985
Net Cash Provided by Investing Activities	9,928	4,433	985
Net Increase (Decrease) in Cash and Cash Equivalents	532,416	(176,906)	19,559
Cash and Cash Equivalents, July 1	5,333,719	3,330,052	436,671
Cash and Cash Equivalents, June 30	<u>\$ 5,866,135</u>	<u>\$ 3,153,146</u>	<u>\$ 456,230</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets:			
Cash and investments	\$ 681,369	\$ 398,183	\$ 66,597
Restricted cash and investments	5,184,766	2,754,963	389,633
Total Cash and Cash Equivalents	<u>\$ 5,866,135</u>	<u>\$ 3,153,146</u>	<u>\$ 456,230</u>

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

		Totals	
Solid Waste Fund	Security Fund	2014	2013
\$ 625,500	\$ 1,289,016	\$ 5,800,649	\$ 5,125,724
(38,945)	(1,109,231)	(2,880,498)	(2,820,375)
(599,499)	(195,309)	(2,774,595)	(2,621,387)
(12,943)	(15,524)	145,556	(316,038)
26,041	105,728	520,829	491,660
		-	-
		298,013	78,544
-	1,004	36,418	34,007
26,041	106,732	855,260	604,211
		(1,271,105)	(287,885)
		-	3,574
		279,978	-
	(2,817)	(2,817)	(2,817)
		454,340	455,030
	(2,817)	(539,604)	167,902
385	772	16,503	27,298
385	772	16,503	27,298
13,483	89,163	477,715	483,373
206,764	402,659	9,709,865	9,226,492
<u>\$ 220,247</u>	<u>\$ 491,822</u>	<u>\$ 10,187,580</u>	<u>\$ 9,709,865</u>
\$ 218,326	\$ 384,365	\$ 1,748,840	\$ 1,168,872
1,921	107,457	8,438,740	8,540,993
<u>\$ 220,247</u>	<u>\$ 491,822</u>	<u>\$ 10,187,580</u>	<u>\$ 9,709,865</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Statement of Cash Flows
Proprietary Funds (Continued)
For the Fiscal Year Ended June 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	Major Enterprise Funds		
	Water Fund	Sewer Fund	Drainage Fund
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities			
Operating loss	\$ (804,602)	\$ (627,887)	\$ (26,720)
Noncash items included in operating loss			
Depreciation	482,665	586,403	
Changes in assets and liabilities			
Decrease (increase) in operating assets			
Accounts receivable	19,800	15,757	5,290
Prepaid expenses	(6,523)	(3,246)	(355)
Due from others	89,435	-	
Increase (decrease) in operating liabilities			
Accounts payable	(87,503)	(40,604)	(343)
Accrued payroll	4,476	23,192	5,565
Post retirement medical liability	14,654	10,621	1,969
Customer deposits	506,558	-	-
Compensated absences	2,657	2,005	401
Deferred revenue	186	142	30
Net Cash Provided By (Used In) Operating Activities	<u>\$ 221,803</u>	<u>\$ (33,617)</u>	<u>\$ (14,163)</u>

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

Solid Waste Fund	Security Fund	Totals	
		2014	2013
\$ (21,258)	\$ (120,026)	\$ (1,600,493)	\$ (1,442,481)
	33,378	1,102,446	1,115,662
2,955	47,518	91,320	(38,438)
(201)	(2,129)	(12,454)	(34,758)
		89,435	11,592
2,926	(133)	(125,657)	86,895
1,783	15,642	50,658	(2,931)
559	15,156	42,959	(12,159)
-	-	506,558	(7,050)
269	(5,027)	305	5,574
24	97	479	2,056
<u>\$ (12,943)</u>	<u>\$ (15,524)</u>	<u>\$ 145,556</u>	<u>\$ (316,038)</u>

Statement of Fiduciary Net Position
June 30, 2014

	PARS	
	Trust Fund	Agency Fund
<u>Assets</u>		
Cash and investments	\$ 677,511	\$ 34,871
Total Assets	\$ 677,511	\$ 34,871
<u>Liabilities</u>		
Due to others	\$ -	\$ 34,871
Total Liabilities		34,871
<u>Net Position</u>		
Held in trust for OPEB benefits	677,511	
Total Liabilities and Net Position	\$ 677,511	\$ 34,871

Changes in Fiduciary Net Position-PARS Retirement Fund

Additions:	
Employer contributions	\$ 153,000
Total contributions	153,000
Investment income (loss):	
Net adjustment to fair value of investments	32,972
Total Additions (Deductions)	32,972
Change in plan net position	185,972
Net Position:	
Held in trust for OPEB benefits:	
Beginning of year	491,539
End of year	\$ 677,511

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

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 service 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 District – The special assessment district is the Community Facilities District No. 1. This Special Assessment District was 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 District but functions as an agent for the property owners by collecting assessments, forwarding collections to special assessment debt holders, and, if appropriate, begin foreclosures on delinquent property owners. Because of the special financing relationships, the Community Facilities District No. 1 has been included in the financial statements as a fiduciary fund type.

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 nonmajor 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, 2014

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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating 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 nonmajor 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 reported 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, 2014

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

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 1: Significant Accounting Policies (Continued)

J. Capital Assets

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

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

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

K. Compensated Absences

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

L. Net Position

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

Net position that are invested in capital assets, net of related debt, consist 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 them 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. 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.

N. 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.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 2: Cash and Investments

Classification

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

Cash and investments	\$ 1,748,840
Designated cash and investments	<u>8,438,740</u>
Cash and investments, Statement of Net Assets	10,187,580
Cash and investments, Statement of Fiduciary Net Assets	<u>712,382</u>
Total cash and investments	<u><u>\$ 10,899,962</u></u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 250
Deposits with financial institutions	706,565
Investments	<u>10,193,147</u>
Total cash and investments	<u><u>\$ 10,899,962</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			
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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 2: Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements (Continued)

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>	<u>Totals</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-36 Months</u>	<u>37-48 Months</u>
CAMP*	\$ 3,605,566	\$ 3,605,566	\$ -	\$ -	\$ -
State Investment Pool*	5,910,070	5,910,070			
PARS Trust*	677,511	677,511			
Money Market*	-	-			
Totals	<u>\$10,193,147</u>	<u>\$ 10,193,147</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Not subject to categorization

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 2: Cash and Investments (Continued)

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) 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.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
CAMP Investment Pool	\$ 3,605,566	N/A	\$ -	\$ -	\$ -	\$ -	\$ 3,605,566
State Investment Pool	5,910,070	N/A	-	-	-	-	5,910,070
Pars Trust	677,511	N/A	-	-	-	-	677,511
Money Market	-	N/A	-	-	-	-	-
Total investments	<u>\$10,193,147</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,193,147</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, 2014, \$395,219 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, 2014, the District did not hold investments in investments held by the same 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, 2014

Note 3: Capital Assets

Capital Assets at June 30, 2014, consist of the following:

	Balance July 1, 2013	Additions	Adjustments/ Deletions	Balance June 30, 2014
Water				
Depreciable assets:				
Water Transmission	\$ 7,311,340	\$ 14,757	\$ -	\$ 7,326,097
Water Treatment	9,587,515	14,239		9,601,754
Studies	687,530	8,355	-	695,885
Vehicles and equipment	628,122	14,137		642,259
Subtotal	18,214,507	51,488	-	18,265,995
Less: Accumulated Depreciation	(10,046,131)	(482,665)		(10,528,796)
Net Capital Assets	8,168,376	(431,177)	-	7,737,199
Non-depreciable assets:				
Construction in progress	42,332	522,337		564,669
Land	13,640	-	-	13,640
Subtotal	55,972	522,337	-	578,309
Net Capital Assets	\$ 8,224,348	\$ 91,160	\$ -	\$ 8,315,508
Sewer				
Depreciable assets:				
Collection Facilities	\$ 4,236,287	\$ -	\$ -	\$ 4,236,287
Pumping facility	42,763			42,763
Treatment Plant/Facilities	15,997,566			15,997,566
Vehicles and equipment	672,220			672,220
Lake Chesbro Protection	270,020			270,020
Waste Discharge	549,152			549,152
Telemetry Building	512,452			512,452
Subtotal	22,280,460	-	-	22,280,460
Less: Accumulated Depreciation	(11,843,628)	(586,402)		(12,430,030)
Net Capital Assets	10,436,832	(586,402)	-	9,850,430
Non-depreciable assets:				
Construction in progress	208,620	697,280		905,900
Land	578,050	-	-	578,050
Subtotal	786,670	697,280	-	1,483,950
Net Capital Assets	\$ 11,223,502	\$ 110,878	\$ -	\$ 11,334,380
Security				
Depreciable assets:				
Vehicle and equipment	\$ 412,183	\$ -	\$ -	\$ 412,183
Buildings and improvements	305,455			305,455
Subtotal	717,638	-	-	717,638
Less: Accumulated Depreciation	(432,266)	(33,378)		(465,644)
Net Capital Assets	285,372	(33,378)	-	251,994
Non-depreciable assets:				
Construction in progress	24,576			24,576
Subtotal	24,576	-		24,576
Net Capital Assets	\$ 309,948	\$ (33,378)	\$ -	\$ 276,570

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 4: Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>
Compensated absences	\$ 101,256	\$ 305	\$ -	\$ 101,561
Total	<u>\$ 101,256</u>	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ 101,561</u>

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 funds, and fiduciary funds 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 Plan

A. Plan Description

The District's defined benefit pension plan with the California Public Employees' Retirement System (CalPERS) provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. This CalPERS is part of the Public Agency portion of the CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions and other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 6: Defined Benefit Pension Plan (Continued)

B. Funding Policy

Active tier 1 plan members in the District's defined pension plan are required to contribute 7% of their annual covered salary and active tier 2 members are required to contribute 6.25% of their annual covered salary. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members as required by the defined benefit pension plan. As a benefit to tier 1 plan member the District contributes 4% of the members required contribution. The District is prohibited from contributing any portion of the tier 2 member contribution. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-14 was 12.608% for tier 1 and 6.25% for tier 2. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established, and may be amended, by CalPERS annually.

C. Annual Pension Cost

For fiscal year 2013-14, the District's annual required employer pension cost was \$215,975 and the District actually contributed \$215,975. The District also contributes 4% of the employees' 7% portion of their annual covered salary as a benefit to the employee for tier 1 members and 0% for tier 2 members. The employer's required contribution for fiscal year 2013-14 was determined as part of the June 30, 2011 actuarial valuation using entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members; and (c) 3.25% overall payroll growth including 3.0% for inflation.

The actuarial value of the plan's assets was determined using a technique that smooths the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses. The plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2011, was 17 years.

Trend Information for the District

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
06/30/12	\$ 199,260	100%	\$ -
06/30/13	205,926	100%	-
06/30/14	215,975	100%	-

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

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 2013-2014 fiscal year annual required contribution is calculated using entry age normal cost (same as CalPERS). For the fiscal year ending June 30, 2014 the District contributed \$153,000 towards the unfunded actuarial accrued liability (UAAL). The District made the net contribution for fiscal year end June 30, 2014 directly to health insurance providers totalling \$55,849.

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 of the employer (ARC), 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 cost 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	\$ 42,313
Annual OPEB cost current fiscal year	251,808
Less: Employer contribution made to trust	(153,000)
Less: Unreimbursed retiree premium payments made to plan provider	(55,849)
Net employer contribution	(208,849)
Net OPEB obligation-end of year	<u>\$ 85,272</u>

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 Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
06/30/12	\$ 191,639	100.00%	\$ 54,472
06/30/13	199,470	100.06%	42,313
06/30/14	251,808	82.93%	85,272

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 7: Post Retirement Health Care Benefits (Continued)

Funded Status and Funding Progress. As of June 30, 2014, the actuarial accrued liability (AAL) was \$2,235,060 and the unfunded actuarial accrued liability (UAAL) for benefits was \$1,522,262. 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 the 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 7.00% 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 .3% per year until reaching an ultimate rate of 5.5 percent. It was assumed salary increases will be 3.25% per annum.

Note 8: Special Assessment District

The Rancho Murieta Community Services District's Board and management are responsible for the administration of the Community Facilities District (Community Facilities District No. 1) formed under the provisions of Mello-Roos. The District is not obligated to repay the special assessment debt to the special assessment debt holders.

The remaining special assessment debt of \$2,530,000 was paid off during the 2013/14 fiscal year. Separate audited financial statements have been issued for the assessment district.

Note 9: Revenue Limitation Imposed by California Proposition 218

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

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2014

Note 10: Commitments and Contingencies

Grants

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

Commitments

The District had open engineering, construction and professional service contracts as of June 30, 2014, including over \$11,000,000 related to the construction of the new Water Treatment Plant.

Note 11: Subsequent Event

Subsequent to fiscal year end the Board of Directors of 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 is being formed as part of a financing plan for public infrastructure Facilities and other governmental Facilities to support expected development of a hotel, commercial, residential and mixed use properties being developed on approximately 828 acres of land within the District boundaries. 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. Commencing with 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. 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

**Schedule of Operating Revenues
Water Fund**

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Service Charges:		
Water sales - residential	\$ 1,602,298	\$ 1,643,609
Water sales - commercial	168,521	183,167
Water availability charges	340	340
Water sales - others	<u>8,704</u>	<u>13,430</u>
Total Service Charges	<u>1,779,863</u>	<u>1,840,546</u>
Other Charges:		
Water telephone line contracts	5,493	5,370
Ditch service charge	-	-
District project charges	1,924	400
Late charges	15,440	18,061
Water inspection fees	-	127
Transfer fees	<u>4,454</u>	<u>4,649</u>
Total Other Charges	<u>27,311</u>	<u>28,607</u>
Total Operating Revenues	<u>\$ 1,807,174</u>	<u>\$ 1,869,153</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Water Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Source of Supply:		
Wages and salaries	\$ 18,602	\$ 14,197
Employer costs	11,081	7,939
Maintenance and repairs	4,530	13,642
Purchased power	105,969	55,494
Dam inspection costs	35,328	35,856
Chemical	5,045	10,251
Equipment rental	<u>1,235</u>	<u>6,611</u>
Total Source of Supply	<u>181,790</u>	<u>143,990</u>
Treatment:		
Wages and salaries	167,413	113,794
Employer costs	75,093	52,255
Purchased power	80,288	82,592
Chemicals	89,735	101,163
Maintenance and repairs	72,663	82,594
Supplies	16	592
Equipment rental	8,870	3,905
Lab tests	20,372	12,629
Miscellaneous	<u>1,955</u>	<u>5,350</u>
Total Treatment	<u>516,405</u>	<u>454,874</u>
Transmission and Distribution:		
Wages and salaries	187,230	193,393
Employer costs	89,839	87,944
Water meters	44,930	35,867
Maintenance and repairs	112,697	91,883
Purchased power	42,064	41,629
Equipment rentals	28,484	20,363
Road paving	39,610	30,637
Supplies	3,416	6,229
Miscellaneous	<u>3,825</u>	<u>7,160</u>
Total Transmission and Distribution	<u>552,095</u>	<u>515,105</u>
General and Administrative:		
Wages and salaries	311,883	303,835
Employer costs	<u>160,867</u>	<u>144,091</u>
Subtotal General and Administrative	<u>472,750</u>	<u>447,926</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses (Continued)

Water Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Subtotal General and Administrative:	\$ 472,750	\$ 447,926
Communications	13,072	11,210
Maintenance and repairs	78,070	121,788
Insurance	21,350	17,471
Permits	18,081	16,395
Supplies	15,922	13,800
Directors' meeting and expenses	8,447	7,876
Elections	-	1,683
Legal and audit	37,620	56,699
Training and safety	12,607	12,524
Vehicle expenses	22,620	38,543
Tools	9,743	9,146
Sacramento Water Authority	10,836	10,606
Miscellaneous	21,511	18,710
Postage	8,418	7,706
Travel and meetings	5,806	4,965
Tuition reimbursement	688	1,339
Clerical services	14,074	2,886
Consulting services	34,553	52,493
Dues and memberships	6,954	5,827
Uniforms	4,762	3,115
Purchased power	3,242	3,010
Equipment lease	905	1,088
Bad debts	-	-
Water conservation	48,702	23,966
Janitorial and pest control	8,088	1,625
CIA ditch operations	-	265
	<u>878,821</u>	<u>892,662</u>
 Depreciation	 <u>482,665</u>	 <u>482,246</u>
 Total Operating Expenses	 <u>\$ 2,611,776</u>	 <u>\$ 2,488,877</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Sewer Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2012</u>
Service Charges:		
Sewer service - residential	\$ 1,123,144	\$ 1,126,635
Sewer service - commercial	114,927	117,046
Sewer availability charges	<u>400</u>	<u>410</u>
Total Service Charges	<u>1,238,471</u>	<u>1,244,091</u>
Other Charges:		
Sewer inspection fees	-	127
District project charges	3,653	2,184
Late charges	15,440	18,061
Transfer fees	<u>3,401</u>	<u>3,549</u>
Total Other Charges	<u>22,494</u>	<u>23,921</u>
Total Operating Revenues	<u>\$ 1,260,965</u>	<u>\$ 1,268,012</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Sewer Fund
For the Fiscal Year Ended June 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	<u>2014</u>	<u>2013</u>
Collections:		
Wages and salaries	\$ 103,084	\$ 85,610
Employer costs	47,425	41,364
Maintenance and repairs	51,687	58,625
Purchased power	12,822	14,207
Equipment rental	1,588	15,608
Supplies	2,484	4,811
Miscellaneous	-	2,205
	<hr/>	<hr/>
Total Collections	219,090	222,430
	<hr/>	<hr/>
Treatment and Disposal:		
Purchased power	125,400	140,385
Chemicals	45,811	52,541
Wages and salaries	122,693	165,679
Employer costs	60,220	75,598
Lab tests	35,414	39,038
Maintenance and repairs	84,031	162,907
Supplies	-	903
Equipment rental	12,011	16,185
Miscellaneous	-	4,474
	<hr/>	<hr/>
Total Treatment and Disposal	485,580	657,710
	<hr/>	<hr/>
General and Administrative:		
Wages and salaries	207,932	199,248
Employer costs	108,490	95,540
Communications	11,014	10,049
Maintenance and repairs	69,001	54,326
Insurance	16,301	13,339
Vehicle expenses	22,376	12,855
Supplies	12,760	12,061
Directors' meetings and expenses	6,449	7,299
Legal and audit	16,374	10,600
Training and safety	14,331	14,860
Permits	30,061	28,098
Miscellaneous	12,843	8,353
Postage	6,427	5,883
Tools	9,842	65
	<hr/>	<hr/>
Subtotal General and Administrative	544,201	472,576
	<hr/>	<hr/>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses (Continued)

Sewer Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Subtotal General and Administrative:	\$ 544,201	\$ 472,576
Travel and meetings	4,682	4,254
Tuition reimbursement	118	227
Clerical Services	10,745	2,203
Consulting	18,920	16,393
Uniforms	5,271	3,115
Dues and memberships	4,131	3,614
Purchased power	2,475	2,298
Janitorial and pest control	6,545	1,625
Equipment lease	<u>691</u>	<u>831</u>
Total General and Administrative	<u>597,779</u>	<u>507,136</u>
Depreciation	<u>586,403</u>	<u>595,854</u>
Total Operating Expenses	<u><u>\$ 1,888,852</u></u>	<u><u>\$ 1,983,130</u></u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Revenues
Drainage Fund
For the Fiscal Year Ended June 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	<u>2014</u>	<u>2013</u>
Special Taxes:		
Drainage service - residential	\$ 150,894	\$ 147,780
Drainage service - commercial	<u>29,203</u>	<u>28,630</u>
Total Special Taxes	<u>180,097</u>	<u>176,410</u>
Other Charges:		
Transfer fees	<u>698</u>	<u>729</u>
Total Operating Revenues	<u>\$ 180,795</u>	<u>\$ 177,139</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Drainage Fund
For the Fiscal Year Ended June 30, 2014
(With Comparative Totals for the Fiscal Year Ended June 30, 2013)**

	<u>2014</u>	<u>2013</u>
Drainage:		
Wages and salaries	\$ 49,914	\$ 46,034
Maintenance and repairs	24,618	26,965
Purchased power	9,840	14,990
Employer costs	24,592	21,375
Equipment rental	1,411	3,267
Legal and audit	-	1,256
Chemicals	2,599	1,838
Supplies	1,744	
Improvements	-	-
Permits	4,852	4,852
Uniforms	733	
Miscellaneous	<u>4,527</u>	<u>2,303</u>
Total Drainage	<u>124,830</u>	<u>122,880</u>
General and Administrative:		
Wages and salaries	33,999	31,533
Employer costs	16,675	16,222
Clerical expense	2,207	453
Communications	909	468
Insurance	3,348	2,740
Maintenance and repairs	7,417	6,570
Vehicle Expenses	8	204
Directors' meeting and expenses	1,325	1,499
Uniforms		
Office supplies	-	1,462
Legal and audit	3,258	921
Postage	1,320	1,208
Consulting services	9,192	64
Miscellaneous	750	1,262
Travel and meeting	639	582
Tuition reimbursement	24	47
Memberships	732	539
Training and safety	232	533
Purchased power	508	472
Equipment lease	<u>142</u>	<u>171</u>
Total General and Administrative	<u>82,685</u>	<u>66,950</u>
Total Operating Expenses	<u>\$ 207,515</u>	<u>\$ 189,830</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Solid Waste Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Service Charges:		
Solid Waste - residential	\$ 622,521	\$ 616,974
Total Service Charges	<u>622,521</u>	<u>616,974</u>
Total Operating Revenues	<u>\$ 622,521</u>	<u>\$ 616,974</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expenses

Solid Waste Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Solid Waste:		
Contract charges	\$ 545,023	\$ 535,189
E-Waste disposal cost	-	\$ 23,568
Miscellaneous	<u>35,045</u>	<u>34,246</u>
Total Solid Waste	<u>580,068</u>	<u>593,003</u>
General and Administrative:		
Wages and salaries	27,868	25,847
Employer costs	13,668	13,296
Travel-Meetings	524	477
Tuition reimbursement	20	38
Clerical reimbursement	1,809	371
Office supplies	1,430	1,199
Mail machine lease	116	140
Insurance	2,744	2,246
Postage	1,082	990
Professional services	6,963	5,685
Utilities	658	634
Maintenance and repairs	1,964	3,031
Consulting	2,061	
Miscellaneous	1,719	1,231
Directors' meeting and expenses	<u>1,086</u>	<u>1,012</u>
Total General and Administrative	<u>63,712</u>	<u>56,197</u>
Total Operating Expenses	<u>\$ 643,780</u>	<u>\$ 649,200</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Revenues

Security Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Special Taxes:		
Security service - residential	\$ 1,017,538	\$ 1,001,675
Security service - commercial	<u>168,574</u>	<u>165,900</u>
Total Special Taxes	<u>1,186,112</u>	<u>1,167,575</u>
Other Charges:		
Late charges	30,880	36,121
Transfer fees	8,024	8,626
Fines and permits	9,977	9,980
Other	<u>6,408</u>	<u>3,984</u>
Total Other Charges	<u>55,289</u>	<u>58,711</u>
Total Operating Revenues	<u>\$ 1,241,401</u>	<u>\$ 1,226,286</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

**Schedule of Operating Expenses
Security Fund**

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Gate Services:		
Wages and salaries	\$ 277,671	\$ 277,630
Employer costs	192,769	163,998
Miscellaneous	2,527	4,972
Equipment repairs and maintenance	19,608	20,193
Supplies	4,471	5,872
Communications	3,667	5,680
Janitor and pest controls	6,541	3,157
Purchased power	2,323	2,408
Training and safety	1,695	-
Uniforms	2,379	1,795
	<u>513,651</u>	<u>485,705</u>
Patrol Services:		
Wages and salaries	241,924	229,563
Employer costs	122,024	123,134
Vehicle fuel	19,366	18,259
Off-duty sheriff patrol	3,762	8,689
Vehicle maintenance	11,198	9,450
Uniforms	1,206	1,054
Miscellaneous	253	1,268
Cellular phone	3,049	3,461
Equipment repairs and maintenance	4,611	278
Janitor and pest control	1,948	2,133
Supplies		
Travel/meetings	4,171	2,212
Tuition reimbursement	81	155
Training and safety	772	1,891
	<u>414,365</u>	<u>401,547</u>
General and Administrative:		
Wages and salaries	210,005	191,876
Employer costs	90,528	88,058
Clerical services	7,345	1,506
Insurance	11,142	9,117
Legal and audit	12,108	13,886
Supplies	11,594	12,220
Directors' meetings and expenses	4,408	4,988
Training and safety	1,145	4,081
Consulting	8,368	213
Uniforms		
Purchased power	1,692	1,571
	<u>358,335</u>	<u>327,516</u>
Subtotal General and Administrative	<u>358,335</u>	<u>327,516</u>

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Schedule of Operating Expense (Continued)

Security Fund

For the Fiscal Year Ended June 30, 2014

(With Comparative Totals for the Fiscal Year Ended June 30, 2013)

	<u>2014</u>	<u>2013</u>
Subtotal General and Administrative:	\$ 358,335	\$ 327,516
Communications	3,489	2,002
Equipment repairs and maintenance	24,475	21,897
Postage	4,393	4,021
Bad debts	-	-
Travel and meetings	-	-
Miscellaneous	6,431	6,398
Memberships	2,437	1,792
Equipment lease	473	568
Vehicle expenses	-	-
Uniform	-	-
	<u>400,033</u>	<u>364,194</u>
Total General and Administrative		
Depreciation	<u>33,378</u>	<u>37,562</u>
Total Operating Expenses	<u>\$ 1,361,427</u>	<u>\$ 1,289,008</u>

LARRY BAIN, CPA

An Accounting Corporation

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

lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Board of Directors
Rancho Murieta Community Services District
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, 2014, and have issued our report thereon dated **September 23, 2013**. 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 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 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. We consider finding 14-1, and 14-2 in the following schedule of findings to be significant deficiencies in the District's internal control:

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
September 23, 2013

RANCHO MURIETA COMMUNITY SERVICES DISTRICT
Findings and Recommendations
June 30, 2014

Finding 14-1: During our testing of accounts receivable we noted several Developers had not been billed \$22,782 which they owed as of June 30, 2014 for reimbursement of costs related to the new water treatment plant. This amount had not been billed as of our fieldwork date and it was not included as an accounts receivable in the general ledger.

Recommendation: We recommend the District maintain controls over reimbursable developer costs and bill on a regular basis and within a reasonable amount of time. The amounts owed should be tracked in the general ledger.

District Response: The District concurs with the recommendation and has established sub-ledger accounts to track reimbursable developer costs.

Finding 14-2: During our testing of accounts payable we noted the following items were not accrued by the District at year-end: \$5,774.27 payable to U.S. Bank Corp Payment, \$4,018.98 payable to California Laboratory Services and \$4,010.77 payable to AECOM Technical Services, Inc.

Recommendation: We recommend the District reconcile the accounts payable at year-end and have year-end procedures in place to verify that all appropriate items have been accrued.

District Response: The District concurs with the recommendation and will ensure that in the future all appropriate items are accrued at year-end.

MEMORANDUM

Date: February 13, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Discuss January 17, 2015 Security Patrol Call for Service

RECOMMENDED ACTION

No action required - discussion only.

BACKGROUND

This item is on the agenda only to allow for further discussion, if desired by the Board, on this issue.

On January 17, 2015 District Security Officers were notified of a felony assault with a deadly weapon (assault rifle) in the Lake Calero area. The alleged suspect (adult) and victim (juvenile) are both residents of Rancho Murieta. District Security Patrol Officers eventually took the suspect into custody at gunpoint. As requested by Director Ferraro, this item was on the February Security Committee meeting agenda for Committee discussion.

SECURITY

YEAR IN REVIEW



PRESENTATION

By
Greg Remson
Security Chief

FIELD OPERATIONS

YEAR IN REVIEW

PRESENTATION BY

PAUL SIEBENSOHN



MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Consider Approving Amendment to Agreement with NBS Government Finance Group for Community Facilities District No. 2014-1 Administrative Services

RECOMMENDED ACTION

Approve amendment to agreement with NBS Government Finance Group for Community Facilities District No. 2014-1 administrative services.

BACKGROUND

In accordance with the Continuing Disclosure Certificate of the Bonds, NBS Government Finance Group (NBS) will support the annual disclosure filing requirements of the SEC Continuing Disclosure Rule 15c12-12. This includes reviewing documents, data collection, report preparation, annual dissemination, and significant events.

AMENDMENT NO. 1

TO RANCHO MURIETA COMMUNITY SERVICES DISTRICT
SERVICES AGREEMENT WITH NBS

THIS AMENDMENT TO AGREEMENT is made this _____, 2015, by and between Rancho Murieta Community Services District (“District”) and NBS Government Finance Group, a California corporation, dba NBS (“Consultant”), who agree as follows:

1. Recitals. This Amendment is made with reference to the following background recitals:

1.1. On December 1, 2014, the parties entered into the Rancho Murieta Community Services District Services Agreement (the “Agreement”), which is on file in the District office.

1.2. The parties now desire to amend the Agreement to add continuing disclosure services to the scope of work and make a related adjustment to the fee and payment provisions.

2. Amendments to Agreement. The parties amend the Agreement as follows:

2.1. The scope of work (Agreement section 1 and Ex. A) is amended to include the continuing disclosure and related services described in the attached letter from NBS to the District dated January 9, 2015.

2.2. The payment provisions (Agreement section 2 and Ex. B) are amended to include the additional fee for the continuing disclosure and related services as described in the attached January 9, 2015 letter.

3. No Effect on Other Provisions. Except for the amendments in section 2, the remaining provisions of the Agreement shall be unaffected and remain in full force and effect.

RANCHO MURIETA COMMUNITY
SERVICES DISTRICT

NBS

By: _____
Darlene J. Gillum
General Manager

By: _____
Michael Rentner
President and CEO



32605 Temecula Parkway, Suite 100
Temecula, CA 92592

Toll free: 800.676.7516

nbsgov.com

RECEIVED

JAN 13 2015

Rancho Murieta
Community Services District

January 9, 2015

Ms. Darlene Gillum
General Manager
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

Subject: Addendum to Original Agreement to Provide Continuing Disclosure Services for the Rancho Murieta Community Services District

Dear Ms. Gillum,

NBS would like to thank you for the opportunity to provide Continuing Disclosure Services for the Rancho Murieta Community Services District ("District") as referenced above. We will add this service to our existing agreement with the District. All other provisions of the existing contract between the District and NBS remain in effect. We look forward to continuing our professional relationship.

Please find enclosed two (2) copies of our Executed Agreement. Upon signing, please return one copy to the undersigned and keep one copy for your records.

Scope of Services

Continuing Disclosure

In accordance with the Continuing Disclosure Certificate of the Bonds, NBS will support with the annual disclosure filing requirements of the SEC Continuing Disclosure Rule 15c2-12. Specifically, NBS will perform the following:

Document Review. NBS will review pertinent documents of the Bonds, including the Official Statement and Continuing Disclosure Certificate. We will identify material such as the Comprehensive Annual Financial Report and/or other operating data that the District has agreed to provide in the Continuing Disclosure Certificate.

Data Collection. NBS will collect the annual financial information and operating data that the District has agreed to provide to the Electronic Municipal Market Access system, or EMMA.

Report Preparation. NBS will prepare the Annual Disclosure Report as required in the Disclosure Certificate.

Annual Dissemination. NBS will disseminate the Annual Disclosure Report to EMMA, and post to our website to allow public access free of charge.

Significant Events. NBS will prepare and disseminate a "Notice of Significant Events", as listed on the Continuing Disclosure Certificate, to EMMA, as required in the certificate. Action will commence upon notification by the District of the occurrence of any of the events as listed in the certificate.

Fees

Continuing Disclosure

Report Fee (per report).....\$1,500
 Significant Event Notificationhourly or \$250 per event
 Dissemination Services
 Report Dissemination (per recipient)\$25
 Significant Event Dissemination (per recipient)\$25
 Posting to NBS website No charge

Annual Fee Increases

Cost of living increases may be applied to the services listed above on October 1 each year, beginning with October 1, 2016. The COLA would be the actual cost of living increase based on the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all urban consumers for the Northern California counties.

Expenses

Customary out-of-pocket expenses will be billed to the District at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

District's Responsibilities


The District shall furnish NBS with any pertinent information that is available to the District and applicable to the services. The District shall designate a person to act with authority on its behalf in respect to the services. The District shall promptly respond to NBS' requests for reviews and approvals of its work, and to its requests for decisions related to the services. District understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, "Information") supplied to NBS by District or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to District or any third party if such Information is not correct.

Please feel free to contact me if you have any questions or need further information.

Best regards,

**NBS Government Finance Group,
 DBA NBS**

Rancho Murieta Community Services District



 Michael Rentner

 Name

President and CEO

 Title Date 1/9/2015

 Title Date



MEMORANDUM

Date: February 13, 2015
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Consider Approving Sole Source Contract for Water Treatment Plant Expansion Project Temporary Filtration System

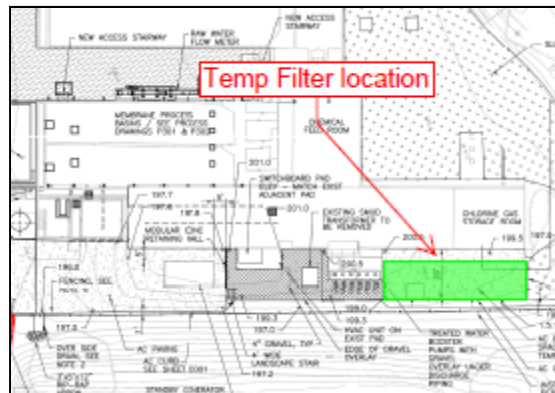
RECOMMENDED ACTION

Approve sole source contracting for GE Mobile MPAK 80, as the use of GE Submerged Membrane Technology was previously approved as a sole source component for the Water Treatment Plant Expansion on December 18, 2013, and approve the proposal from GE Power & Water for a MPAK80 temporary filtration system for the Water Treatment Plant Expansion Project, in an amount not to exceed \$304,560. Funding to come from Water Operations Budget.

BACKGROUND

The GE Mobile MPAK 80 trailer mounted mobile filtration system is the component HDR designed in the Water Treatment Expansion project for temporary filtration as it was determined to meet the necessary replacement capacity required as well as it fit in the physical footprint available. It was provided in the bid documents as Exhibit F. Other competitor's products could not meet the needs of the District for this project based on needed flow requirements in the available footprint to replace Plant #1 while it is offline.

Relative section from Exhibit F:



From Water Treatment Plant expansion specifications:

E. Acceptable Suppliers:

1. GE: ZeeWeed 1000 series (latest version).
2. District requires the use of GE Submerged Membrane Technology, GE ZeeWeed 1000 series (latest version), for the Project based on the determination that this specific equipment is a necessary item for the project and available from one source.

With the Water Treatment Plant Expansion Project extending into the warmer months, the community's water demand will increase beyond the capability of Plant #2. A temporary filtration unit will most likely be needed. Three (3) costs are involved in getting temporary filtration available: 1) for getting the GE MPAK mobile filtration unit here, commissioned, staff trained to operate it, daily rental fee, and then decommissioned; 2) to run pipelines for raw water feed, effluent discharge, and waste discharges, which may be done as a change order on a time and materials basis; and 3) to tie-in/disconnect the electrical power needed for the unit and monitoring and alarm systems, work is to be done by Bockman Woody on a time and material basis.

The temporary filtration unit is a GE MPAK mobile filtration unit. It consists of their Z1500 pressurized membrane modules mounted in a Class A trailer as a fully operational mobile filtration plant. It may be needed for 60-90 days during the completion of the Water Treatment Plant Expansion Project. Costs and conditions are listed in the attached proposal, with a minimum order time being 60 days. Costs include risk, liability, and a 5% contingency. The estimated cost for the unit ranges from \$103,000 (2 month minimum) – \$304,560 (6 months), depending on length of time needed.

The temporary filtration unit needs a temporary power feed run to it as well as piping connections. Cost for service to provide this power and piping will be provided on a time and materials basis and managed as change orders for the project, with funding to come from the District's Water Operations budget.

Below is the original bid listing table noting costs for temporary filtration under Alternate #2 for reference.

District: Rancho Marieta Community Services District					TOTAL: \$11,344,987		Base+Alt #1 Base+Alt #2 Base + Alt #1&2			
Project: Water Treatment Plant Expansion			Precon Lead: Bob Krome		Estimate Date: 1/17/2014		\$11,412,298 \$11,716,118 \$1,703,429			
RCMS Job No: 33.13.004			Estimator: Joel Gallion		Estimate Time: 2:00pm					
Location: 15160 Jackson Rd, Rancho Marieta, Ca			Duration: 272 days		L13: Saturday					
SU# 1			Bid Date: 2/21/2014		Bid Time: 2:30 PM					
BID DIV:	DESCRIPTION	ESTIMATE	BIDDER	TOTAL	NAME	Base Bid	Alt #01 Remove and Replace siding	Alt #02 Setup and remove temp filters	Allowance (within budget)	Notes
	GENERAL CONDITIONS	305,607	305,607	305,607	RCMS	\$305,607				
	GE EQUIPMENT	2,115,000	2,173,800	2,173,800	GE	\$2,173,800		\$288,000		GE 1.44MGD trailers
09	PAINTING	234,890	291,000	291,000	River City Paint	\$291,000	\$5,400			
10	SITEWORK	408,268	289,200	289,200	Rock Morgan	\$289,200			\$25,000	(\$10k access road, \$15k SWPPP maintenance)
27	MECHANICAL	4,000,000	4,893,000	4,893,000	KG Walters Construct	\$4,893,000	\$48,000	\$15,000	\$5,000	Access to covered work
28	ELECTRICAL	2,300,000	2,370,226	2,370,226	Bockman & Woody El	\$2,370,226	\$5,000	\$15,000	\$10,000	SCADA console
32	FIRE PROTECTION	50,000	42,500	42,500	Marquee	\$42,500				
SUBTOTAL		9,413,766		10,365,333		10,365,333	68,400	322,000	40,000	
		37,656	0.400% Risk	41,461		41,461	234	1,288		
		32,948	0.350% Liability	36,279		36,279	204	1,127		
		753,101	5.000% Contingency	518,267		1,044,307	5,884	32,442		
	Tax + bor	183,121		10,951,340		11,487,381	64,722	356,857		
		329,453	3.50% FEE:	383,147		459,495	2,589	14,274		
		10,750,073		11,344,987		11,946,876	67,311	371,131		

I have been in contact with our Department of Drinking Water (DDW) Sanitary engineer in regards to their approval. He believes that there will be no issue with providing approval as it is a proven technology currently in use, and is presently working towards providing it. I have also supplied all of the necessary documentation provided by GE to DDW.

The Improvements Committee recommends approval.



GE Power & Water
Water & Process Technologies

Proposal for

Rancho Murieta Community Services District

Rancho Murieta, CA

Proposal #024614tem, Revision 3

Joseph Lamberty
Commercial Developer
(925) 872-0948
joseph.lamberty@ge.com





**GE Power & Water
Water & Process Technologies**

Confidential and Proprietary Information

GE submits the information contained in this document for evaluation by Customer only. Customer agrees not to reveal its contents except to those in Customer's organization necessary for evaluation. Copies of this document may not be made without the prior written consent of GE Management. If the preceding is not acceptable to Customer, this document shall be returned to GE.

This proposal is valid until 03/10/2014. If a formal purchase order is not received and accepted within this Validity Period, both the pricing and delivery schedule are subject to review and adjustment.



1 Technical & Engineering Details

1.1 Basis of Design

This proposal is offered based on the following water design values from Raw Surface to be used for Indirect Potable Reuse.

1.2 Influent Water Quality

The design solution proposed is based on the values below. All values are as mg/l as ion unless otherwise stated.

Cations		Anions		Other	
Total Hardness, as CaCO ₃	45	Alkalinity, "P", as CaCO ₃	N/R	Specific Conductance, at 25°C, µS/cm	N/R
Calcium Total hardness as CaCO ₃ , ppm	N/R	Alkalinity, "M", as CaCO ₃	60	Total Dissolved Solids (TDS)	< 100
Magnesium Total hardness as CaCO ₃ , ppm	N/R	Chloride	N/R	pH, standard units	8.0
Sodium	N/R	Sulfur, Total, as SO ₄	N/R	Total Suspended Solids	N/R
Potassium	N/R	Nitrate, as NO ₃	N/R	Turbidity, NTU	5.0
Ammonia, as NH ₃	N/R	Reactive Silica, Total, as SiO ₂	N/R	Silt Density Index (SDI15)	N/R
Barium, Total	N/R	Colloidal Silica, Total, as SiO ₂	N/R	Total Organic Carbon (TOC), as C	7.5
Strontium, Total	N/R	Phosphate, Total, as PO ₄	N/R	Dissolved Organic Carbon (DOC)	4.1
Copper, Total	N/R	Phosphate, Total Inorganic, as PO ₄	N/R	Color, TCU	45
Aluminum, Total	N/R	Phosphate, Ortho-, as PO ₄	N/R	Total Chlorine	N/R
Manganese, Total	N/R	Fluoride	N/R	Free Chlorine	N/R
Iron, Total	N/R	--	--	Carbon Dioxide	N/R
Iron, Dissolved	N/R	--	--	Fats, Oil and Grease	N/R
--	--	--	--	BTEX	N/R

Source of Test and Date	Customer Supplied Analysis, N/R
Feed Water Source	Raw Surface

Notes:

1. N/R = data for this parameter has not been reported, and will be assumed to be 0 (zero)
2. Parameters marked with an asterisk have been assumed. Please confirm these values.
3. BTEX = benzene, toluene, ethyl benzene, and xylene.

1.3 Influent Water Flow Data

Flow rate, pressure and temperature required at inlet to the equipment.

	Minimum	Maximum
Inlet Flow Rate, GPM	1,000	1,150
Pressure, PSI *	30	90
Temperature, °F	60	85
Pretreatment	Strainer, 10 mm	



* Pressure must be measured under flowing conditions at the inlet to the GEWPT equipment.

1.4 Product Water Quality and Flow Data

The following performance parameters are expected upon equipment start-up, based on the data listed in the influent quality table and design sections above.

Flow Rate, GPM	Up to 1,000
Turbidity, NTU	0.08
Giardia Removal, %	99.99
Cryptosporidium Removal, %	99.99
Recovery, %	95

GE will only guarantee meeting water quality as specified in Section 1.4 Product Water Quality table. Customer is responsible for fitness of use characteristics to include, but not limited to, final disinfection for potable, food and beverage ingredient applications. Furthermore, the customer is responsible for operation of the mobile unit on a continuous basis. Membranes are not NSF certified for potable use. Customer is to ensure compliance with applicable regulations.

1.5 Influent Water Variability

In the event that the influent water exceeds the specifications used in engineering this proposal or the water source changes, the ability of the water treatment system to produce the designed treated water quality and/or quantity may be impaired. If influent water is provided to the system, which does not meet the specifications shown above, and the equipment therefore does not meet the listed product water characteristics, the total value of the contract shall be paid in full as described in this proposal. GE shall endeavor to restore the full product water quality as soon as possible after the influent conditions have been restored. Any additional costs incurred by GE resulting from a change in influent conditions, including, but not limited to any repair and replacement of damaged equipment and any additional costs incurred, shall be fully reimbursed to GE.

1.6 Waste Water Streams

The following streams are waste lines that will derive from the proposed equipment. The customer must dispose of all these streams and provide the required connections to drain as specified in Customer Scope of Supply section. Connection details of each line can be found in the GE Scope of Supply section where the specification for each supplied unit is detailed.

Waste Line	Flow Rate or Volume	Additional Comments
UF Backwash Reject	630 GPM, intermittent	Gravity drain, no back pressure on this line
UF CIP Reject	400 GPM, intermittent	Up to 1,000 ppm of free chlorine Up to 2,000 ppm of citric acid solution
UF Module Drain Reject	1,500 Gallons	Only during commissioning phase, if required
UF Preservative Solution	7,000 Gallons	50% glycerin solution. For more information see section Preservative Chemicals

1.7 Chemical Consumption Estimates

The chemicals and the containment have to be provided by the customer, a quotation to provide them can be provided by GEWPT separately if required. These volumes are estimates only and will vary with changes to influent water quality.



Chemical	Consumption Estimates
Sodium Hypochlorite	3 GPD @ 15%
Citric Acid	1 GPD @ 50%

1.8 Preservative Chemicals

Prior to shipment, the UF modules are filled with a preservative solution of 50% glycerin that protects the membrane fibers until they are ready for use. After the modules have been installed, this solution must be completely flushed from the modules before production can begin. The flushing procedure will create a byproduct permeate with a high TOC content that is unsuitable for normal discharge into the environment (example: down a drain connected to a municipal sewer system). As a result, when flushing a newly installed module, direct all permeate to a suitable container that can then be sent for proper disposal.

UF membranes that are to be taken offline for longer than two days must be preserved in order to prevent biological growth within the modules. For storage periods of up to approximately 1 week, filling the modules with water containing sodium hypochlorite at a minimum residual concentration of 1-2 mg/L is adequate (modules have a maximum chlorine tolerance of 1,000 mg/L). For storage periods longer than 1 week, a residual sodium hypochlorite concentration of 15 mg/L is required.

1.9 Equipment Availability

GEWPT requires a two (2) week period notice from a technically and commercially clean order acceptance in order to prepare the equipment proposed in the GE Scope of Supply section prior to dispatching it to the Customer site. We will however endeavor to expedite this.



2 Commercial Offer

2.1 Pricing Table

Pricing for the proposed equipment, consumables, and / or services is summarized in the table below. All pricing is based on the operating conditions and influent water analysis that are detailed in the Technical & Engineering Details section of this proposal.

Qty	Description	Price	Units
Equipment Preparation Charges			
1	Mobile Hollow Fiber System (Mobile MPAK® 80)	\$17,890.00	Per Unit
Equipment Service Charges			
1	Mobile Hollow Fiber System (Mobile MPAK® 80)	\$1,275.00	Per Day
Minimum Order			
	Minimum Order	60	Days
Consumables			
	Sodium Hypochlorite	Included	
	Citric Acid	Included	
Additional Equipment			
	Interconnecting Hoses, Within 50 Feet	Included	
	Membrane Integrity Testing	Included	
	Waste Tank and Pump, If Required	\$3525.00	
Field Service			
	FSR Coverage, Transportation and Per Diem Included, Required for Commissioning, Decommissioning, and Training	\$148.00	Per Hour, Per Person
Freight			
	Delivery and Removal	\$2.75	Per Mile, Per Tractor Unit

Notes:

1. No credit for partially used or unused units. Exclusive of equipment service, FSR, and freight charges.
2. Exchanges of MobileFlow or MultiFlow units during the term of the contract will also be charged at the freight rate as quoted above. Additional freight charges, including, but not limited to, expedited freight, shipment during public holidays or any special circumstances shall be charged at extra.
3. All prices quoted are in USD.
4. The customer will pay all applicable local, state, provincial, or federal taxes and duties.
5. The equipment delivery date, start date, and date of commencement of operations are to be negotiated.
6. Commercial terms and conditions shall be in accordance with GE's Standard Terms and Conditions of Contract.
7. This proposal and the rates provided herein are subject to final site, environmental, and financial due diligence by GE Water & Process Technologies.
8. This proposal supersedes all previous proposals and correspondence.



2.2 Field Service Coverage

The FSR(s) will work on site in accordance with local working time regulations. The FSR will manage their time such that they can respond to required callouts within their allowable working time. If however they are unable to complete all the required tasks within the allocated time then additional FSR cover may be required at a cost to Rancho Murieta Community Services District.

2.3 Term and Service Period

This Agreement may be renewed prior to the expiration of the above stated Service Period by mutual agreement between the parties. Upon such renewal, all references made to the Service Period shall be deemed to include both the in the foregoing referred to initial Service Period as well as any renewal Service Periods as a whole. Notice for renewal shall be given in writing by Customer not less than seven (7) days prior to the expiration of the ongoing Service Period, otherwise the Service Period shall automatically terminate and the Equipment be returned to GEWPT in accordance with the terms and conditions of this Agreement.

2.4 Invoicing and Payment Terms

Payment terms are net 30 days from date of invoice.

2.5 Conditional Offering

Customer understands that this proposal has been issued based upon the information provided by customer, and currently available to, GE Water & Process Technologies at the time of proposal issuance. Any changes or discrepancies in site conditions (including but not limited to system influent water characteristics, changes in environmental, health, and safety (EH&S) conditions, and/or newly discovered EH&S concerns), Customer financial standing, Customer requirements, or any other relevant change, or discrepancy in, the factual basis upon which this proposal was created, may lead to changes in the offering, including but not limited to changes in pricing, warranties, quoted specifications, or terms and conditions. GE's offering in the proposal is conditioned upon verification of Customer's EH&S conditions, financial standings, and other information.



3 GE Scope of Supply

The proposed treatment system consists of the components described in this section.

3.1.1 Mobile Hollow Fiber System

Model	MPAK, Mobile MPAK® 80
Application/Media Type	Ultrafiltration
Configuration	Trailer Mounted
Part Number	UF00-00002-800

Performance Data

Average Product Flow	1000 GPM Max
Feed Flow	1150 GPM Max
Backwash Waste Volume	630 GPM Max, Intermittent
Design Recovery	90 - 92 %
Design Temperature Range	35 - 90 °F

Installation and Utility Requirements

Feed Water Connection	8" ANSI Class 150 Flange, 316 SS, 15 - 90 PSI, hard pipe or non-collapsible hose
Product Water Connection	8" ANSI Class 150 Flange, 316 SS, 30 PSI
Backwash Connection	6" ANSI Class 150 Flange, 316 SS, 0 PSI (Atmospheric)
CIP Reject Connection	6" ANSI Class 150 Flange, 316 SS, 15 PSI
Module Rack Drain Connection	6" ANSI Class 150 Flange, 316 SS, Gravity Drain
Permeate Tank Drain Connection	4" ANSI Class 150 Flange, 316 SS, Gravity Drain
Air Requirement	10 SCFM @ 80 - 120 PSI, Oil-free
Air Connection	0.5" FPT, Optional (MPAK has an internal air compressor)
Inlet Water Pressure	15 - 100 PSI
Power	480 VAC, 3 Phase, 60 Hz, 300 A
Trailer Dimensions, L x W x H	53' x 8.5' x 13.5'
Shipping Weight Estimate	30,700 Lbs.
Operating Weight Estimate	57,000 Lbs.

Features Included

- Online raw water turbidity meter
- Online Filtrate (permeate) turbidity meter
- Automatic raw water strainers included

Note: Backwash connection is a gravity drain - no back pressure can be present



Tie-point Symbol on MPAK GA	Description	Type	Size	Pressure	Frequency of use	Instantaneous Max Flow (US gpm)
A	Feed	316 SS Flange	8"	15 to 90 psi	Continuous	1150 gpm
B	Permeate (Filtrate)	316 SS Flange	8"	35 psi	Continuous	1000 gpm for this application
C	CIP Waste	316 SS Flange	6"	15 psi	Once Daily, per train.	630
D	Reject	316 SS Flange	6"	Gravity drain required with no backpressure.	Up to once every 10 minutes for 1.5 minutes in duration.	630
E	Train 1,2, and CIP tank Drain, and Strainer flush	316 SS Flange	6"	Gravity	Train drain occurs once per day, strainer flush based on internal differential pressure switches	n/a
F	Inlet Pressure Relief Valve line	316 SS Flange	4"	Same pressure as Feed Connection	Installed to protect system from water hammer (influent pressure spikes)	Site dependent
G	Permeate Tank Drain	316 SS Flange	4"	Gravity	Only for servicing or decommissioning of system.	n/a
Not shown, but the line could be fed through the weather-can surrounding tiepoints B, D, & G.	Compressed Air Line	Stainless Swagelok compression Fitting	½"	120 to 90 psi	provided by compressor supplied within MPAK Trailer, with option to connect to client air	10 scfm
Not Shown. (behind back right tire of trailer, entry through floor.	480 Power Drop, 3 phase, 60 Hz, 285 Amps					
Run Permissive	24v power from MPAK panel running to external level switch, pressure switch or relay, and then back to I0605 within MPAK panel.		# 14 AWG			



4 Customer Scope of Supply

All delivery or services not specified in the GE Scope of Supply are included in the Customer Scope of Supply.

4.1 Safety and Environmental

- First aid and emergency medical response
- Eyewash and safety showers in the water treatment area
- Chemical spill response
- Security and fire protection systems per local codes
- Environmental use and discharge permits for all chemicals/waste water streams at the customer facility either listed in this document or proposed for use at a later date
- Any special permits required for GE or Customer employees to perform work related to the water treatment system at the facility
- All site testing, including soil, ground and surface water, air emissions, etc.
- Disposal of all solid and liquid waste from the GE System
- The Customer will identify and inform GE personnel of any hazards present in the work place that could impact the delivery of GE's scope of supply and agrees to work with GE to remove, monitor, and control the hazards to a practical level.
- The Customer will provide training to GE's personnel on all relevant and standard company operating procedures and practices for performing work on site. Such training programs may include, but are not limited to, general environmental health and safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. Customer will provide a certificate of training for GE personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.

4.2 Jobsite and Installation Review

- Review of GE supplied equipment drawings and specifications
- Overall plant design, detail drawings of all termination points where GE equipment or materials tie into equipment or materials supplied by others
- All easements, licenses and permits required by governmental or regulatory authorities in connection with the supply, erection and operation of the system
- All applicable civil design and works, including any building, site preparation, grading, excavations, foundations, and trenches and accessories
- All electrical labor and supplies leading up to and from the jobsite and between equipment, including power supplies and cables, control cables, fittings, conduit, supports, cable trays, wire and hardware, and air conditioned panels as required for installation and ongoing operations
- All labor and supplies leading up to and from the jobsite and between equipment, including fittings, conduit, supports, cable trays, wire and hardware required to appropriately ground / earth the equipment as required for installation and ongoing operations
- All mechanical labor and supplies leading up to and from the jobsite including connecting and interconnecting piping, heat tracing or winterization of equipment (if required), fittings, conduit, pipe supports, and hardware as required for installation and ongoing operations
- All instrumentation, control and automatic pneumatic valves including, but not limited to, air / sample line tubing, fittings, conduit, supports, isolating valves leading up to jobsite and between GE-supplied skids and hardware as required for installation and ongoing operations
- Loading, unloading, lifting, positioning and transportation of the equipment and materials required for GE to perform the duties outlined in the GE Scope of Supply to the jobsite and/or warehouse
- All access structures (scaffolding) and mechanical lifting equipment (cranes, forklifts, and scissor lifts)
- Providing a suitable site/shelter for the placement of the proposed equipment, either inside appropriate housing, or outdoors. Note: electrical equipment, including the PLC, may require air-



conditioned rooms to prevent overheating of sensitive electronic equipment, depending on climatic conditions.

- Storage of cassette / membranes / stacks on site. These must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area, out of direct sunlight, and at a temperature of 5-30°C (39-86°F). It is recommended that the cassettes / membranes / stacks not be stored longer than necessary prior to installation. Coordinate with GE for appropriate shipment times. Maximum storage duration of a cassette / membrane / stack is 8 / 12 / 3 months from the date of shipment. If these timescales are exceeded GEWPT can provide instruction to extend the storage period.
- Bulk chemical storage and tanks, including secondary containment in accordance with local codes
- Timely disposal of unused chemicals
- Receiving, off-loading, logging, and storing all chemicals and materials in accordance with Manufacturer's recommendation that are shipped to the site
- Compressed, oil and grease free instrument air for pneumatic valves and instruments
- Equipment anchor bolts if required.
- Telephone / fax / modem access for GE staff while on site if required.
- Laboratory services, operating and maintenance personnel during equipment check out, start-up and operation if required.
- Any customer supplied hosing, interconnections, pipework must be suitable for operating pressures of up to 10 bar (145 psi). For the MPAK, the feed line must be hard pipe or non-collapsible hose.
- Pressure relief valving upstream of GE equipment to stop pressure spikes (water hammer) from closing / stopping of downstream valves / pumps. GE can supply this if requested.

4.3 Start-Up, Commissioning, and De-Commissioning

- Installation and removal of temporary screens (1 mm mesh / 0.5 mm mesh) on all process lines entering the membrane system / basins to prevent membrane damage.
- Flushing and disinfection of all piping and membrane tanks.
- Verification of removal of all residual debris from construction
- Provide an uninterrupted influent water and electrical supply to GEWPT for approximately 2 days in order to allow the commissioning of the supplied equipment
- Supply raw materials, chemicals and utilities during start-up and operation
- Telephone / fax / modem access for GE staff while on site if required.
- Laboratory services, operating and maintenance personnel during equipment checkout, start-up and operation
- Provide an uninterrupted influent water and electrical supply to GEWPT for approximately 2 days in order to allow the decommissioning of the supplied equipment
- Provide compressed air and electricity in order to power site tools during installation assembly

4.4 Facility Management

- Warehouse storage space and facilities, as are available at the site, and are reasonably appropriate to store parts, consumables, tools, etc. in accordance with manufacturers' recommendations. Such warehouse storage space will be a segregated area, secured and protected from adverse climate as may be reasonably required. Customer will be responsible for risk of loss of GE's parts while in storage at the site. Customer will maintain GE's parts stored at the site free and clear of any and all liens of Customer and Customer's lenders, bondholders, contractors, and other creditors of any nature.
- Free access and egress of the facility for all authorized work for GE staff
- Workshop facilities with standard workshop tools and equipment, as is reasonably appropriate, that are necessary to meet the repair and maintenance requirements of the system. Such equipment includes, but is not limited to, benches, vices, drill press, electric saws, hand tools, power tools, pneumatic tools, etc.



- All access structures (scaffolding) and mechanical lifting equipment (cranes, forklifts, and scissor lifts)
- Provide a location with suitable load bearing at Customer's facilities required for the Equipment and the operation thereof in its usual and customary manner and in such a way as to permit GEWPT to furnish the Service
- Adequate illumination and emergency lighting for all areas in which GE staff will be executing the scope of supply
- Equipment for movement of chemical drums, totes, and resin, as is reasonable
- All site utilities such as raw water at appropriate pressure and flow rate, instrument quality air, potable water, and power required for operation of the proposed equipment included in this scope of supply as specified by GEWPT in this Agreement
- Secure office space adjacent to the work area at the site with access to typical office equipment and amenities
- Provision of welfare facilities, such as clean toilets, washing facilities, drinking water, canteen, restrooms, etc.



5 Acceptance

5.1 How to Place an Order

To ensure accurate and prompt order entry, product delivery, billing and accounts receivables processing, please ensure your Purchase Order contains the following information:

1. **Hard Copy:** GE requires a hard copy of the PO with full customer and order details – by postal mail or e-mail.
2. **Entity:** Please identify GE Mobile Water, Inc., 4545 Patent Road Norfolk, VA 23502 USA as the 'Seller' on any Purchase Order(s).
3. **Communicate** your PO to our central order processing department at:

E-Mail:	infra-gewpt-mw-logistics@ge.com
Postal Mail:	GE Mobile Water, Inc. 4545 Patent Road Norfolk, VA 23502 USA

4. **Proposal Number:** Please reference the Proposal # 024614tem, revision 3, dated 02/10/2015, in any purchase orders.
5. **Quantity** with units of measure (UOM) needs to be stated for each item listed in the PO.
6. **Unit Price and / or Total Price** need to be stated alongside the information so that the Purchase Order can be cross checked against any proposal detail.
7. **Delivery Location (Ship-to Address):** Please clearly define the delivery location.
8. **Delivery Date:** Please include your requested delivery date in your PO. Upon receipt of the PO the requested delivery date will be reviewed, if that date is achievable based upon current factory loading it will be confirmed back to you via the confirmation information indicated on your PO, if the requested delivery date is not achievable a representative will contact you to discuss how to proceed. If a delivery date is not included in your PO the next available production capacity will be utilized and confirmed back to you.
9. **Execute:** Please sign and date below and include this page with your purchase order. Upon acceptance of the PO, GEWPT will sign and date this page and return it to Rancho Murieta Community Services District.

For:
Rancho Murieta Community Services District

For:
GE Mobile Water, Inc.

Name: _____

Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____



6 Definitions

As used in this Agreement the terms below shall have the meanings as described below.

6.1 General Definitions

Agreement	shall mean the terms and conditions contained in this Proposal, including its Attachments as a whole
Equipment	shall mean the mobile treatment equipment as further detailed in the GE Scope of Supply section of this proposal
Services	shall mean the overall services to be provided by GE, as consisting of the deployment and provision of the Equipment and corresponding processing services relating to the treatment of Influent Water as further detailed in the GE Scope of Supply section
Influent Water	shall mean Customer's influent water or fluids to be provided by Customer at the inlet of the Equipment, and subject to treatment under the terms and conditions of this Agreement
Effluent Water	shall mean the treated water delivered from the Equipment to Customer's storage tank or point of use, resulting from the treatment of Influent Water under the terms and conditions of this Agreement
Waste Water	shall mean the waste generated from the Equipment to Customer's drain resulting from the treatment of influent water.
Site	shall mean Customers premises at Rancho Murieta Community Services District Rancho Murieta, CA United States
Service Center	A location where GE provides services including resin regeneration, fleet storage, analytical services, sales support and technical support.
Delivery and Removal Charge	The rate specified, usually cost per mile, to deliver and remove the GE unit from the Customer's location. For either delivery or removal, the cost is computed based upon the distance from the GE service center to the Customer's location and the same mileage from the Customer's location to the GE service center (round trip).
Preparation Charge	A fee charged for labor and materials to prepare equipment to meet specific Customer requirements. May also be identified as a Set-up Charge.
Service Charge	A fee imposed, usually hourly, daily or monthly, for the use of GE's fluid treatment equipment. Service Charges commence upon arrival at customer's site unless otherwise specified.
Processing Charge	A fee charged for the processing of a fluid through equipment supplied by GE. This fee may be expressed as a cost per unit of volume, cost per unit delivered, or cost per day, week, or month.
Mobilization Charges	Price charged for the supply of project specific equipment required for the operation of the water treatment plant.
Minimum Processing Charge	A minimum fee, per unit delivered, generally exclusive of Field Service Representative, service, and delivery and removal charges, that applies when the processing charge is expressed as a cost per 1,000 gallons or other unit of volume. The minimum covers mobilization and preparation of the unit and is charged only



when gallons processed times the processing charge yield less than the stated minimum.

Surcharge

A temporary fee charged to recover unusual increase in cost of production or distribution materials. The fee is based on a sliding scale index.

**Unit/System/
Equipment**

Generally referred to as a piece or array of fluid treatment equipment, which may be of either mobile or fixed-base design.

**Field Service
Representative**

An employee of GE who has been professionally trained to operate and maintain GE's equipment. This employee is also able to provide a wide array of analytical services with GE supplied instruments

6.2 Field Service Representative Charges

Per Hour

When required or requested by the Customer, GE will bill the Customer for all hours worked by the Field Service Representative while on-site at the Customer's location. Unless otherwise specified, a minimum of eight (8) hours per 24-hour day will be charged while the Field Service Representative is engaged by the Customer, whether the Field Service Representative is required to report to the Customer's location, or remain in the local area on stand-by. A daily log sheet is provided by GE for the Customer's use in accounting for hours worked or charged for. The hourly rate is the same for straight time, overtime, holidays, or weekends.

Per Diem

A charge will be made to the Customer for each day the Field Service Representative is engaged by the Customer. The per diem rate includes, but is not limited to, the following: meals, hotel/motel, rental car, telephone expenses, etc.

Transportation

Airfare or ground transportation expenses to and from the Customer's site are billable at actual cost, unless otherwise specified. If a service requirement becomes interrupted for more than 72 hours, the Field Service Representative may be released. Per hour and per diem charges will not apply during the release period. Transportation expense for departure and return associated with the release of the Field Service Representative is billable at actual cost.



7 Conditions of Contract and Warranties

SELLER:

GE Mobile Water, Inc.
4545 Patent Road
Norfolk, VA 23502
USA

BUYER:

Rancho Murieta Community Services District
15160 Jackson Road
P.O. Box 1050
Rancho Murieta, California 95683
USA

As used in the Terms and Conditions, the term "Goods" shall mean materials as outlined in the GE Scope of Supply section of this proposal.



7.1 Attachment 1 - Terms and Conditions of Contract

The terms and conditions herein will be active and applicable until terminated in accordance with Article 11. Customer may place orders under these terms and conditions at any time during this applicability period. Pricing offered within shall be valid for 30 days. GE MOBILE WATER, Inc., a Virginia, U.S. corporation ("GE Mobile Water, Inc."), and ("Customer") agree:

1. GE Mobile Water SERVICES

When Customer has fully complied with Paragraph 2 below, GE Mobile Water shall:

- Provide the equipment as listed in the Commercial Offer (the "Equipment") or, at GE Mobile Water's option, other equipment sufficient to meet Customer's requirements, on a priority availability and preferred pricing basis.
- Treat Customer's influent water or other fluids ("Influent Water") to the quality specified in the Influent Water Quality table.
- Use its best efforts, at all times, to provide the Equipment, but shall not be liable for any delays in doing so.
- Provide a standard Certificate of Insurance, listing general liability, automobile liability and worker's compensation coverage.

2. CUSTOMER'S RESPONSIBILITIES

As a condition precedent to GE Mobile Water's providing the Service, Customer shall, without cost to GE Mobile Water throughout the Agreement term:

- a. Provide a location at Customer's facilities, suitable for proper operation of the Equipment.
- b. Provide piping, fire hoses, fittings, electricity and other specified equipment and services, as required.
- c. Provide Influent Water of the quality described in the Influent Water Quality table, at the pressure and at the flow rate required by GE Mobile Water.
- d. Provide reasonable access to and security for the Equipment.
- e. Provide all necessary utilities to operate the Equipment.
- f. Provide all necessary licenses or permits required for the installation and operation of the Equipment required for the Service.

3. PRICE AND PAYMENT

The price and payment terms for GE Mobile Water's Service are set forth in the Commercial Offer section. Any supplemental cost incurred by GE Mobile Water in the performance of any of Customer's responsibilities under Paragraph 3 of this Agreement shall be reimbursed. Payment shall be made in full in U.S. Dollars within thirty (30) days of the invoice date. If Customer disputes any portion of an invoice, it shall notify GE Mobile Water in writing with specificity and pay the undisputed portion within 30 days. In the event of an undisputed late payment, late payment charges will be added in accordance with state law. Customer may be held in default of this agreement if any invoiced amounts are undisputed and unpaid after 30 days beyond their original due date, and late payment charges will be applied. Purchaser agrees that Purchaser shall adjust the value and/or duration of the Purchase Order in a manner that adequately funds the GE Mobile Water's continuous provision of all Purchaser authorized services.

Prices do not include sales, use, gross receipts, excise, value-added, services, penalty, addition to tax, interest, or assessment related thereto or any similar transaction or consumption taxes (collectively, "Taxes"). GE Mobile Water shall collect or seek reimbursement for any such Taxes imposed with respect to this Agreement, or services performed hereunder by GE Mobile Water or GE Mobile Water's subcontractors, from Customer. Customer shall pay any such Taxes that may be levied on or assessed against Customer or GE Mobile Water and GE Mobile Water's subcontractors and, if GE Mobile Water pays any such Taxes, reimburse GE Mobile Water. Each party shall be responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts. Customer shall furnish GE Mobile Water with evidence of tax exemption acceptable to taxing authorities if applicable.

4. WATER QUALITY WARRANTY

Effluent Water quality shall meet or exceed the specifications in the Effluent Water Quality table. Any Effluent Water not meeting these specifications shall, at GE Mobile Water's option, be replaced or reprocessed at no additional cost to



Customer, unless the failure is caused by the acts or omissions of Customer, including but not limited to Customer's failure to provide the required Influent Water.

GE Mobile Water warrants only that the Equipment is capable of processing the Influent Water, described in the Influent Water Quality table to meet the specifications for Effluent Water in the Effluent Water Quality table. GE Mobile Water does not warrant the USE of the Effluent Water and, accordingly, such replacement or reprocessing shall be the Customer's sole and exclusive remedy. GE Mobile Water further warrants that Services will be performed in a good and workmanlike manner and will comply in all material respects with the requirements set forth in this Agreement. Customer shall notify GE Mobile Water of any warranty claim within thirty (30) days of the claimed item's delivery, and Customer's sole remedy shall be to have deficient services corrected or re-performed and to have defective products repaired or replaced.

Effluent Water processed for Customer is not intended, or suitable, for human consumption.

GE MOBILE WATER EXPRESSLY DISCLAIMS LIABILITY FOR INCIDENTAL AND/OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, LOST PROFITS RELATED TO BREACH OF WARRANTY, COSTS OF ACCESS TO THE EQUIPMENT FOR REPAIR/REPLACEMENT, AND DECONTAMINATION. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH, GE MOBILE WATER MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR OF FITNESS OF USE OR FOR THE PURPOSE INTENDED.

5. NO TITLE TO WATER

At no time shall GE Mobile Water be deemed to have taken title to Product Water, Feedwater, Nonstandard Substances ("Nonstandard Substances" shall mean substances or materials which are not specifically identified in the Influent Water Quality Window of in the Influent Water Quality table set forth herein or which were not or could not be reasonably anticipated by GE Mobile Water as being a component of the Influent Feedwater), Hazardous Materials ("Hazardous Materials" shall mean toxic substances, hazardous substances, pollutants, contaminants, regulated wastes, or hazardous wastes as such terms may be defined or classified in any statute or ordinance or regulations promulgated by any national, federal, state, provincial, or local governmental authority), or any other materials or substances processed at the site or treated by GE Mobile Water pursuant to this Agreement. GE Mobile Water does not take responsibility for or provide waste characterization, disposal facility selection, disposal, or payment of sewage or landfill fees. Customer is responsible for all wastes and waste disposal from the plant. Wastes may include, but are not limited to, water system reject waste, used RO membranes, filters, CIP related wastes and wastewaters, spent media, cartridge filters, equipment and consumables, lube/oil contaminated debris/rags, other maintenance related wastes, lab analysis residuals, and office waste. Customer is required to obtain GE Mobile Water's written approval prior to any changes in reject disposal or use, or waste disposal methods or configuration being made.

6. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT, THE TOTAL LIABILITY OF GE MOBILE WATER, its affiliates and subcontractors and their employees, officers, directors and agents, ON ALL CLAIMS OF ANY KIND ACCRUING DURING ANY CALENDAR YEAR, WHETHER IN CONTRACT (INCLUDING LIQUIDATED DAMAGES), WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF THE PERFORMANCE OR BREACH OF THIS AGREEMENT OR THE USE OF ANY PARTS OR THE PROVISION OF ANY SERVICES, SHALL NOT EXCEED FIFTY PERCENT OF THE AMOUNTS PAID BY CUSTOMER TO GE MOBILE WATER IN ANY CALENDAR YEAR, AND IN NO EVENT SHALL THE CUMULATIVE TOTAL LIABILITY OF GE MOBILE WATER ON ALL SUCH CLAIMS OF ANY KIND ARISING FROM OR RELATING TO THIS AGREEMENT, UNTIL THE TIME ALL SUCH LIABILITY ENDS, EXCEED AMOUNTS PAID BY CUSTOMER TO GE MOBILE WATER UNDER THIS AGREEMENT.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, SHALL GE MOBILE WATER BE LIABLE FOR LOSS OF PROFIT OR REVENUES, LOSS OF USE OF THE SITE OR ANY ASSOCIATED EQUIPMENT OR SYSTEMS, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES, SERVICES OR REPLACEMENT POWER, DOWNTIME COSTS, CLAIMS OF CUSTOMER'S CUSTOMERS FOR SUCH DAMAGES, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES.

IF GE MOBILE WATER FURNISHES CUSTOMER WITH ADVICE OR ASSISTANCE CONCERNING ANY PRODUCTS, SYSTEMS OR WORK WHICH IS NOT REQUIRED PURSUANT TO THIS AGREEMENT, THE FURNISHING OF SUCH ADVICE OR ASSISTANCE WILL NOT SUBJECT GE MOBILE WATER TO ANY LIABILITY, WHETHER IN CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

7. INSURANCE

GE Mobile Water shall provide and maintain in full force Commercial General Liability policy with a combined single limit of \$2,000,000 for bodily injury and property damage, with an excess liability policy of \$3,000,000 additional coverage.



The Parties expressly agree that GE Mobile Water may self-insure any or all portions of the insurance mentioned in this or any portion of this Agreement.

GE Mobile Water (i) shall provide Customer, upon request, with certificates of insurance showing policy coverage and limits for policies required under this Section; (ii) shall not terminate the insurance coverage required under this Section without giving thirty (30) days prior written notice to Customer, and the policies shall provide for such written notice; and (iii) shall not materially modify the insurance coverage required under this Section without giving thirty (30) days prior written notice to Customer. Site-specific Certificates of Insurance are available upon request for a fixed annual administrative fee of \$126 per certificate.

Customer shall provide and maintain in full force Commercial General Liability insurance covering claims for personal injury, including bodily injury or death, and property damage arising from the performance of GE Mobile Water's services hereunder to the extent such claims arise from the negligence or misconduct of Customer, with a \$2,000,000 minimum limit per occurrence for combined bodily injury and property damage and a \$5,000,000 minimum annual aggregate limit. Each policy shall name GE Mobile Water as additional insured and loss payee.

Customer (i) shall provide GE Mobile Water, upon request with certificates of insurance showing policy coverage and limits for policies required under this Section; (ii) shall not terminate the insurance coverage required of Customer by this Section without giving thirty (30) days prior written notice to GE Mobile Water and the policies shall provide for such notice; and (iii) shall not materially modify the insurance coverage required of Customer by this Section without Customer giving thirty (30) days prior written notice to GE Mobile Water.

8. INDEMNIFICATION

GE Mobile Water shall indemnify and hold harmless Customer from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of GE Mobile Water or its officers, agents, employees, and/or assigns while engaged in activities under this Contract. Purchaser shall likewise indemnify and hold harmless GE Mobile Water from claims for physical damage to third party property or injury to persons, including death, to the extent caused by the negligence of the Customer, its officers, agents, employees, and/or assigns. In the event such damage or injury is caused by the joint or concurrent negligence of GE Mobile Water and Customer, the loss shall be borne by each Party in proportion to its negligence. "Third party" shall not include Customer. Customer shall also indemnify and hold harmless GE Mobile Water from claims due to Customer's violation of any Environmental, Health, or Safety Law (as subsequently defined); and from claims due to the release of any Hazardous Materials or Nonstandard Substance at, on, to, or from Customer property, unless such substance was brought on to Customer property by GE Mobile Water and GE Mobile Water caused the release of such substance;

Also, Customer acknowledges that purified water equipment may break and/or leak and that it should be installed only where there is adequate drainage and minimal risk of damage to other property. GE Mobile Water therefore shall not be liable to Customer or others for any damages, costs or expenses resulting from breaks in or leakage from equipment that GE Mobile Water owns, sells, rents, or services.

9. CONFIDENTIALITY

Any information disclosed by either party in connection with this Agreement and designated in writing, by label, stamp or other written communication by the disclosing party as "confidential" or "proprietary" at the time of disclosure shall be treated as "Confidential Information" subject to this Section. It is agreed that this Agreement and all drafts hereof, and all proposals, specifications, recommendations, instructions and all other similar documents, in all such forms as they may be delivered, shall be considered GE Mobile Water's Confidential Information at all times. The recipient party agrees (i) to treat such Confidential Information as confidential and not disclose it to third parties other than GE Mobile Water Affiliate entities as necessary for performance of this Agreement, (ii) to restrict the use of such Confidential Information to matters relating to the recipient party's performance of this Agreement, and (iii) to restrict access to such information to employees of the recipient party and GE Mobile Water's Affiliate entities whose access is necessary in the implementation of this Agreement. All copies of written Confidential Information will be returned to the disclosing party upon request (i) except to the extent that an item of such information is designated to be retained by the recipient party pursuant to a specific provision of this Agreement, and (ii) GE Mobile Water may retain one copy of Customer Confidential Information until such time as all its liability under this Agreement terminates.

10. SCHEDULE - POSTPONEMENT OF PERFORMANCE

The consequences, direct or indirect, of acts of God, natural disasters, unusually severe weather, fire, terrorism, war (declared or undeclared) epidemics, material shortages, insurrection, act (or omissions) of Customer or Customer's suppliers or agents, any act (or omission) by any governmental authority, strikes, labor disputes, transportation shortages, or failure of supply of raw materials and any causes beyond the reasonable control of the parties to this Agreement shall excuse performance to the extent performance has been prevented by such consequences. At the removal of the cause of interruption, performance shall be resumed fully in accordance with this Agreement.



In the event GE Mobile Water cannot provide the Service to meet the Customer's requirements, Customer may utilize other sources to obtain Service until GE Mobile Water can meet its obligations under this Agreement. GE Mobile Water shall not be liable for any difference in the cost.

For emergency service requests for equipment and services, GE Mobile Water will respond within a time frame as notified by the GE Mobile Water Logistics Center at time of order. For non-emergency requests for service personnel, allow five business days notice to most efficiently schedule routine service call requests. Specific requests for expedited non-emergency service such as: 'Same-day Service', 'Next-day Service', or any off-schedule service visits requiring an on-site response in fewer than five days may be subject to an expediting charge of at least four (4) hours billed at overtime labor rates.

GE Mobile Water's failure to provide the Service shall not result in termination of this Agreement. However, should Customer request the Service and GE Mobile Water not be able to provide the Service for a period in excess of 30 days, this Agreement will automatically terminate.

11. TERMINATION

Either party (the "Non-Defaulting Party") may terminate this Agreement for default if the other Party (the "Defaulting Party") (i) becomes Insolvent or (ii) the Defaulting Party commits a material breach of this Agreement and fails to cure the breach within ten days (10) days of notice from the Non-Defaulting Party, or fails to commence to cure the breach and diligently proceed with the cure if it is not possible to cure within ten (10) days of such notice. In addition to the foregoing, GE Mobile Water may terminate for default in the event of: (i) an event causing GE Mobile Water to suspend performance of the services which cannot reasonably be cured; (ii) Customer's failure to perform any of its material obligations under this Agreement or any other agreement or order, which failure has a material and adverse effect on GE Mobile Water; (iii) laws or conditions or changes to such laws or conditions, which make performance by GE Mobile Water impossible or impractical or have a material effect on GE Mobile Water or performance by GE Mobile Water including but not limited to expropriation of all or any portion of the site; or (iv) facts or circumstances which arise, are discovered, or become known to GE Mobile Water which actually or potentially result in environmental, financial, labor or security risks that GE Mobile Water reasonably deems imprudent or unsuitable, and which were not fully disclosed, for whatever reason, by the GE Mobile Water's reviews conducted to date. GE Mobile Water shall have the right to suspend performance upon written notice to Customer in any case where it would have the right to terminate the Agreement

12. USE OF EQUIPMENT

Although the equipment will be utilized at the site, Customer acknowledges that GE Mobile Water shall retain beneficial ownership of the equipment and any other GE Mobile Water supplied parts, equipment, inventory, supplies and other assets utilized by GE Mobile Water, or loaned or made available to Customer at the site. GE Mobile Water reserves the right to file a UCC-1 security form on all GE Mobile Water-owned equipment and products and a mechanic's lien on any labor performed by GE Mobile Water for the design, fabrication, installation, and maintenance of the system and hereby provides legal notice of its intention to do so if deemed necessary to ensure payment. Customer shall keep GE Mobile Water's equipment free and clear of any liens. Upon expiration or termination of this Agreement GE Mobile Water shall have the right to disconnect and remove the equipment, parts or assets installed or utilized by GE Mobile Water pursuant to this Agreement.

Customer acknowledges that GE Mobile Water's equipment is designed for specific applications and processes and therefore may not be relocated, modified, altered or changed in any way without the expressed, written consent of the GE Mobile Water. Customer is responsible for any loss or damage to GE Mobile Water's equipment including but not limited to, theft, physical damage, operational impairment caused by lack of proper maintenance or operation outside manufacturer's or GE Mobile Water's operating specifications, and deterioration or contamination from exposure to fumes or substances. Customer shall be solely responsible for any and all costs to test, decontaminate or dispose of and replace any of GE Mobile Water's equipment or ion exchange resins contaminated by exposure to any process or application containing any Federal, DOT, or State listed hazardous waste or a characteristic hazardous waste. Upon request Customer shall certify to GE Mobile Water, by means of a completed and signed Resin Process Profile form, the conditions under which all ion exchange resins will be operated.

Customer shall not remove the equipment from Customer's location designated in the Agreement and shall not sublease or lend the equipment or otherwise attempt to transfer or dispose of the equipment or any rights in or to the equipment. Before moving any equipment, Customer must notify and get GE Mobile Water's permission, and in the event of any move, Customer assumes all responsibility for damages caused to equipment or any other property.

13. INTERPRETATION

The parties intend this Agreement, with any attached Exhibits and Addenda, as a final expression of their agreement and a complete and exclusive statement of its terms. No course of previous dealings between the parties and no usage of trade shall be relevant or admissible to supplement, explain or vary any of its terms. No representations, understandings



or agreements have been made or relied on in making this Agreement other than those expressly set forth. This Agreement may be modified only by a writing signed by the parties or their duly authorized agents.

GE Mobile Water reserves the right to change these Terms and Conditions periodically and such changes shall be conveyed to the Customer in writing in conjunction with the annual Price Modifications. No other changes of these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by duly authorized representatives of each party claimed to be bound thereby. These Terms and Conditions shall prevail over any inconsistent terms and conditions included in Customer's order, and no modification shall be effected by GE Mobile Water's acknowledgement or acceptance of Customer's purchase order forms, which may contain different terms and conditions.

This Agreement shall be governed by and shall be construed according to the internal laws of the Commonwealth of Virginia, applicable to contracts made and to be performed wholly within the Commonwealth of Virginia. In the event of a dispute concerning this Agreement, the complaining party shall notify the other party in writing thereof. Management level representatives of both parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court in Philadelphia, PA, and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this clause.

GE Mobile Water and Purchaser will be deemed to have reasonably relied on any representations made or information furnished by the other, whether prior to or after the date of the Agreement. Neither the Agreement nor any proposals of GE Mobile Water nor any rights or obligations thereunder are assignable without GE Mobile Water's written consent.

14. NOTICE

Notice of requirements for the Service shall be made by Customer calling GE Mobile Water's 24 hour/7 day, toll-free number in Norfolk, Virginia (800) 446-8004 or by facsimile transmission to (757) 855-1478. All other notices required under this Agreement shall be sent by registered or certified mail, return receipt requested, postage paid, to the address shown below, or at such other address as either party shall designate in writing.

15. SEVERABILITY

If any provisions of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall in no way be affected or impaired.

16. SETOFF

Customer shall have no rights to any setoffs, abatements, suspensions, deferments, reductions, claims, counterclaims or defenses of any nature relating to any payments due under this Agreement.

17. PROPOSALS

Any proposals or price quotations rendered by GE Mobile Water, may be modified or withdrawn by GE Mobile Water at any time prior to the bilateral execution of a written contract, and shall automatically expire in 30 days, except as otherwise expressly agreed in writing. Any offer made by Customer shall not be considered as accepted nor the terms thereof binding on GE Mobile Water until written confirmation of said offer has been sent by GE Mobile Water. GE Mobile Water's obligation to provide Services shall be subject to approval of all orders by GE Mobile Water's credit department, and GE Mobile Water may require full or partial payment in advance of performance. Any Services performed or items furnished by GE Mobile Water beyond those set forth in the Agreement will be charged at GE Mobile Water's then standard rates.

18. NO NUCLEAR USE

Except as expressly permitted by this Agreement, the Buyer warrants that it shall not use or permit the use of the Equipment in connection with any nuclear installation or activity. Seller shall have no liability whatsoever for any nuclear or other damage, injury or contamination arising in connection with any such use.



8 Field Service Support

8.1 Customer Operated Jobs*

When contracting for a GE Mobile Water (GEMW) water treatment system without the services of a GEMW Field Service Representative (FSR), the customer will be responsible to verify several parameters upon delivery of the equipment, including but not limited to:

- The equipment is secure and in good working order
- The shutdown features and alarms are activated and functioning
- Operating parameters are within the specific limits
- And the effluent water quality meets the required specifications

After verification of the above parameters and commencement of operation, water quantity and quality issues are the customer's responsibility.

GEMW services include:

- Guaranteed effluent water quality upon equipment delivery
- 24 hour, 365 day per year technical assistance from GEMW's Logistics and Customer Service departments
- Emergency back-up equipment
- Emergency replacement parts
- Written equipment start-up and operational procedures
- Training for the operators

Customer responsibilities include:

- Daily operating labor, Effluent water quality and quantity monitoring
- FSR transportation, labor, and per diem for all service calls
- Daily equipment readings, Transmission of equipment readings to GEMW's Logistics department
- Routine maintenance and repair labor
- Replacement media, resin, and membranes (unless due to manufacturing defects)
- Instrument calibration, Daily housekeeping, Maintain influent water within the specified parameters
- Site access and security, Site suitable for water treatment equipment, Emergency first aid

Optional services available: Services of a GEMW FSR, trained in water treatment theory and operation by GEMW, are available at the request of the customer to:

- Provide equipment installation assistance and start-up services
- Operate and monitor equipment performance to guarantee effluent water quality and quantity
- Manage water inventory, Provide repair services, Troubleshoot problems

To increase FSR coverage, schedule service, order equipment, or request technical or field assistance, contact GEMW:

In the US: (757) 855-9000 or US toll-free (800) 446-8004

In the EU: +800 4300 0043

In the ANZ: +1800 064 140

For other countries: +44 (0) 1733 394555

Daily readings can be faxed to GEMW's Logistics department:

In the US: (757) 855-1478

In the ANZ: +1800 648 530

For other countries: +44 (0) 1733 390179

* Customer operated applies when the customer has not contracted for scheduled FSR site visits.

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Improvements Committee Staff
Subject: Consider Approving Continued Engineering Costs Related to the Water Treatment Plant Expansion Project

RECOMMENDED ACTION

Approve the proposal from HDR Engineering for additional engineering services related to the Water Treatment Plant Expansion Project in an amount not to exceed \$108,763. Funding to come from Water Treatment Plant Expansion Project Fund.

BACKGROUND

The attached proposal is for HDR Engineering to provide additional engineering services for the Water Treatment Plant Expansion Project. Currently, funding is set to run out next month. HDR had originally supplied a proposal that had what they believed to be adequate to cover costs for engineering services during construction, totaling \$413,486. However, at that time, the Improvement Committee felt the cost was too high and requested that their proposal be revised down. The amount approved in March 2014 for engineering services during construction was \$150,186.

HDR's proposal is attached, outlining their continuing services, which includes additional services for Startup and Testing & Technical Report to Support Water Treatment Plant Permit Update. With this additional engineering cost, the total is still under the original proposal from HDR Engineering.

The Improvements Committee recommends approval.

AMENDMENT NO. 1

TO AGREEMENT BETWEEN RANCHO MURIETA COMMUNITY SERVICES DISTRICT AND HDR ENGINEERING FOR PROFESSIONAL SERVICES

THIS AMENDMENT TO AGREEMENT is made this _____, 2015, by and between Rancho Murieta Community Services District (“District”) and HDR Engineering, Inc., a Nebraska corporation (“Consultant”), who agree as follows:

1. Recitals. This Amendment is made with reference to the following background recitals:

1.1. On March 19, 2014, the parties entered into the Short Form Agreement Between Owner and HDR Engineering, Inc. for Professional Services (the “Agreement”), which is on file in the District office.

1.2. The parties now desire to amend the Agreement to expand and extend the scope of work and to make a related adjustment to the fee and payment provisions.

2. Amendments to Agreement. The parties amend the Agreement as follows:

2.1. The scope of work (Agreement section I and Ex. A) is amended to include the extended and additional construction-related engineering services as described in the attached Exhibit A, Scope of Services dated February 4, 2015.

2.2. The compensation provisions (Agreement section IV) are amended to include the additional fee for the extended and additional services as shown in the attached Table A-1 dated February 4, 2015, at an additional cost not to exceed \$108,763.

3. No Effect on Other Provisions. Except for the amendments in section 2, the remaining provisions of the Agreement shall be unaffected and remain in full force and effect.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

HDR Engineering

By: _____
Darlene J. Gillum
General Manager

By: _____

[name]

[title]

EXHIBIT A SCOPE OF SERVICES

Rancho Murieta Community Services District *Water Treatment Plant Expansion - Additional Construction Engineering Services*

This scope of work was developed based on construction of a water treatment plant expansion project, which will include demolishing the Plant 1 sedimentation basin filters and constructing in their place a 6 million gallons per day (mgd) membrane treatment system with an initial capacity of 4 mgd. This scope of work is based on the needed services to complete the project by the end of February 2015 (point at which current budget is exhausted) and the current estimated construction substantial completion date of July 24, 2015.

TASK 1 - PROJECT MANAGEMENT

This task includes the following management activities required to efficiently provide HDR's scope of services and meet the District's goals:

- Prepare invoices and progress reports on a monthly basis.
- Coordinate with the Construction Manager at Risk (CMAR), schedule staff, and the quality assurance effort.

TASK 2 - ENGINEERING SERVICES DURING CONSTRUCTION

Subtask 2.1 - Site Visits / Progress Meetings

- Attend progress meetings twice per month during active construction periods to provide design input on construction and submittal review issues and concurrently provide onsite observation. Up to 10 additional construction progress meetings have been budgeted.
- Make site visits to observe construction progress, verify design intent, and assist in field decision-making and problem resolution.
- Provide additional field visits to the construction site upon request to observe the work in progress and advise the District of appropriate comments and/or concerns. Up to two site visits have been budgeted.

Subtask 2.2 – Review of Remaining Submittals

- Review shop drawing submittal schedule provided by the contractor. Notify contractor of acceptance or rejection of schedule noting deficiencies and indicating contractor action required.
- Distribute copies of approved schedule to design team members responsible for shop drawing reviews.

- Receive, log, and distribute submittals received from CMAR to appropriate design team members for review.
- HDR Engineering will not be responsible for consultation or other services relating to construction means and methods, or construction site safety.
- Reviews shall be performed by the Engineer that designed the project element or an acceptable substitute. Budget is based upon 16 remaining submittals, including resubmittals, and 3.5 engineering hours, 0.5 project manager hours, and 1 clerical hour per submittal. We understand that the CMAR will review submittals other than structural, mechanical, electrical, and process.

Subtask 2.3 - Request for Information/Request for Clarification (RFI/RFC) Review and Response

- Review RFIs and RFCs and provide response options and recommendations in a timely manner, including expedited reviews for time sensitive RFIs/RFCs.
- Prepare design clarifications as required for design intent.
- Budget is based upon 20 additional RFIs/RFCs, which include 3.5 engineering hours, 0.5 project manager hours, 0.5 clerical hours, and 1.5 CAD hours per RFI/RFC.

Subtask 2.4 - Proposed Contract Modifications (PCMs) and Change Order Assistance

- Prepare PCM for design changes, including design calculations, drawings, justification, and cost estimates.
- Budget is based upon up to two additional PCMs and supporting documentation, at an average of 8 engineering hours, 2 project manager hours, 6 CAD hours, and 2 clerical hours per PCM.
- Assist the District in reviewing proposed change orders for conformance with the design intent and verification of proposed cost. Budget is based upon review of up to two change order requests at an average of 2 project manager hours and 2 engineering hours per review.

Subtask 2.5 - Final Punch List

- Participate in a site visit to develop items for the punch list (three participants from HDR). Prepare and provide items for incorporation into the final punch list maintained by the Construction Manager.
- Review progress completion on punch list items and conduct site visit to observe completed work and develop final punch list (one participant from HDR).

Subtask 2.6 - Startup and Testing

- Attend commissioning team meetings and provide startup and initial operating assistance, including assistance in the development, review, and implementation of the Contractor's startup and sequencing plan for the SCADA system, membrane systems, pumping stations, and ancillary systems.
- Witness functional and performance testing as described in Specification Section 01621, 3.3, F. Provide oversight to confirm that the facilities function properly and meet performance criteria as established in the contract documents.
- Budget is based upon a labor allocation of 72 engineering hours, 8 project manager hours, and 12 administration hours.

Subtask 2.7 - Technical Report to Support Water Treatment Plant Permit Update

- Section 116530 of the Safe Drinking Water Act, entitled “Technical report” states, “A public water system shall submit a technical report to the department as part of the permit application or when otherwise required by the department. This report may include, but not be limited to, detailed plans and specifications, water quality information, and physical descriptions of the existing or proposed system, and financial assurance information”.

HDR will prepare the Technical Report in accordance with the California Waterworks Standards. The draft report will be submitted to State Water Boards Division of Drinking Water (DDW) and the District for review and approval prior to preparing the final copies for binding.

***Deliverables:** PDF copy of the draft Technical Report for DDW and District review and three copies of the final Report plus a CD with both PDF and MS Word versions.*

ASSUMPTIONS

A brief summary of the assumptions upon which the scope of work is based follows:

- The existing water treatment plant will be expanded to meet an ultimate demand of 6 mgd. The initial project will be sized for 4 mgd with provisions made for easily expanding to 6 mgd in the future by adding membrane equipment.
- The expansion will replace the existing 1.5 mgd capacity of Plant 1, which requires decommissioning due to age and directives from regulators.
- Construction management, including inspections and testing, will be performed by the CMAR. The CMAR will be responsible for processing payment requests, document management, dispute resolution, progress meetings, inspection, testing supervision, and final closeout.

- The Contractor is responsible for completing the project within the time allowed in the contract (current estimated time of substantial completion is July 24, 2015). A project extending beyond the originally specified contract time may result in added costs for HDR services.
- The Contractor is responsible for their means and methods of constructing the project subject to the contract documents, applicable laws and codes, construction site safety, and coordination of work between trades.
- The Operation and Maintenance (O&M) manual will provide an overview of the plant O&M information as provided by vendors. Preparation of standard operation procedures is not included in the scope of services.

Table A-1. Estimated Work Effort and Cost

Rancho Murieta Community Services District

Water Treatment Plant Expansion - Additional Construction Engineering Services

Task No.	Task Description	Principal/ QA/QC	Project Manager	Civil/ Process	Struct Engr	Mech Engr	Elect Engr	CADD Tech	Admin/ Clerical	Total HDR Labor Hours	Total HDR Labor (\$)	Total HDR Expenses (\$)	Total Cost (\$)
Task 1 - Project Management													
1.1	Project Management		12						36	48	\$6,321	\$ 314	\$ 6,635
	Subtotal Task 1	-	12	-	-	-	-	-	36	48	6,321	\$ 314	\$ 6,635
Task 2 - Engineering Services during Construction													
2.1	Site Visits (up to 2) /Progress Meetings (up to 10)		8	30	8	4	8		2	60	\$10,775	\$ 539	\$ 11,313
2.2	Review of Remaining Submittals (up to 16)		8	38	12	2	4		16	80	\$12,725	\$ 636	\$ 13,361
2.3	RFI/RFC Review and Response (up to 20)		10	30	16	8	16	30	10	120	\$19,671	\$ 984	\$ 20,655
2.4	PCM (up to 2) and Change Order Assistance (up to 2)		8	10	4	2	4	12	4	44	\$7,389	\$ 369	\$ 7,758
2.5	Final Punch List (one site visit)		6	8	6	6	8		2	36	\$6,907	\$ 362	\$ 7,269
2.6	Startup and Testing		8	60			24		12	104	\$17,733	\$ 904	\$ 18,637
2.7	Technical Report to Support Water Treatment Plant Permit Update	4	12	88			8	12	16	140	\$22,017	\$ 1,118	\$ 23,135
	Subtotal Task 2	4	60	264	46	22	72	54	62	584	97,216	\$ 4,912	\$ 102,128
TOTALS		4	72	264	46	22	72	54	98	632	\$103,537	\$5,226	\$108,763

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Communication & Technology Committee Staff
Subject: Consider Adoption of District Policy 2015-01, Advertising in District Communications

RECOMMENDED ACTION

Adopt District Policy 2015-01, advertising in District communications.

BACKGROUND

In October 2014, Joseph Blake, the District's previous General Manager, agreed to let Rancho Murieta Country Club (RMCC) put a flyer in the District's October billing statement. At the November 3, 2014 Special Board meeting, Director Belton requested the Communications Committee discuss this matter.

The District's normal practice is to not allow advertisements for any events and/or entities other than District sponsored events; with the exception of including quarterly blood drive notices for the Rancho Murieta Women's Club. Dick Shanahan weighed in and his comments were that he thought we could open ourselves up to all sorts of First Amendment conflicts and protests by allowing some and not others. His recommendation is not to allow any.

At the December 5, 2014 Communications and Technology Committee meeting, the Committee requested staff develop a District Policy regarding the District not allowing advertisements for any events and/or entities other than District sponsored events. Legal counsel has reviewed.

At the January 21, 2015 District Board meeting, President Pasek commented on advertising for community service events. Richard Shanahan, District General Counsel, commented on the District cannot legally regulate the content of any advertising and suggested the Board consider limiting advertising to only local non-profit corporations. By consensus, the Board agreed to continue this item to the February 18, 2015 regular Board meeting so staff and General Counsel can modify the policy. Attached is the modified draft Policy.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Communications & Technology	Policy # 2015-01
Title:	Non-District Sponsored Advertising <u>in District Communications</u>	

PURPOSE

To ensure Rancho Murieta Community Services District does not allow any commercial or non-Rancho Murieta related advertising in District communications ~~advertise, distribute, post or convey any non-District sponsored event and/or entities.~~

POLICY

In order to control and limit advertising in District communications and protect the District from any First Amendment conflicts or protests, the District will not allow advertisements, announcements or other communications in the District utility service bill or other District document or communication ~~for any events and/or entities~~ other than the following: (1) matters relating to District business; (2) District-sponsored events, functions, programs and projects; and, (3) announcements in the District bill that are from a nonprofit corporation and that involve a community service function, event, program or project within Rancho Murieta.

Approved by Rancho Murieta Community Services District's Board of Directors	
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MEMORANDUM

Date: February 12, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Consider Approving North Gate Project Funding Completion Costs and Update

RECOMMENDED ACTION

Approve the request for the North Gate Project Funding completion costs not to exceed \$258,203.34. This cost includes previously approved equipment and services in addition to final estimates of all known soft costs. The approval request includes the total projected cost plus contingency of \$11,000.00 (approximately 4.4%). Funding to come from Security Replacement Reserves and/or internal inter-fund borrowing from Capital Improvement Fees.

BACKGROUND

Contracts for purchase and installation of gate operators, barcode readers, intercoms, surveillance cameras, and other equipment and services have been approved. Estimated costs include legal assistance, furniture-desk and chairs, and the gate software program interface. Attached is the cost summary including estimated costs.

By approving the final completion project costs, the District General Manager will be authorized to approve the remaining project costs, to be paid from reserves, without the need to bring each of these small items to the Board for approval.

UPDATE

The first layer of asphalt has been applied to the two (2) inbound resident lanes. Foundations and conduit for the gate operators, barcode readers and intercoms are being placed. This has been delayed due to the recent rains which made the ground too soft to pour concrete.

The delivery date for the barcode readers and gate operators has been pushed to the week of February 16, 2015. The surveillance camera vendor is installing wire in the gate building.

I met with the DSX contractor last Friday to discuss installation and to form a more detailed transition plan regarding changing over from the old North Gate to the new North Gate. He will send me a plan detailing loading the new panels, attaching the new panels and cabinets at the new gate, and eventually changing over the ABDI gate computer system to the new gate. Our IT vendor will be scheduled to assist during the changeover and will also map the connections for future reference. Rancho Murieta Association (RMA) is using www.ranchohurieta.com to update the community on the progress of construction.

New North Gate Construction Cost Summary

		Hard Const. Costs	Soft Const. Costs			
Contractor	Work Type	Contract Amount	Contract Amount	Total Amount Billed to Date		
A Leap Ahead	Computer changeover **est.**		\$1,000.00			
A&D Automatic Gates	Gate operators /Barcode Readers	\$96,460.00				
ABDI Inc.	Gate Software prgm interface **est.**		\$1,000.00			
Allstate Systems Integration	DSX	\$14,720.32				
Dick Shanahan	Legal-contracts **est.**		\$2,000.00	\$1,401.90		
Diede (B&H Electric)	Conduit sweeps	\$3,853.00		\$3,853.00		
Diede (Ridgeline Engineering)	Staking/surveying	\$450.00		\$450.00		
RMA	Generator	\$37,000.00		\$37,000.00		
RMA	Conduit	\$28,000.00		\$28,000.00		
RMA	Foundations for equipment	\$3,700.00		\$3,700.00		
Sacramento Bee	Bid advertisement		\$1,612.26	\$1,612.26		
SMAQMD	Generator permit fee		\$754.00			
Vendor	Furniture/desk/chairs/misc. **est.**		\$1,500.00			
Watchdog's Surveillance	Surveillance Cameras/intercoms	\$50,278.76				
Watchdog's Surveillance	Consultant-wiring/plan check/meetings		\$4,875.00			
	Contingency	\$11,000.00				
Total		\$245,462.08	\$12,741.26	\$76,017.16		
As of February 4, 2015	Total Combined Hard & Soft Costs	\$258,203.34				

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Receive Report Back on Security Ad Hoc Committee

The ad hoc Security Committee was formed in January 2014. The goal of the Committee was to enhance the Security Surveillance Camera Plan and Security Strategic Plan to reduce crime, including vandalism and thefts, throughout the community with the use of surveillance cameras. The Committee consisted of the following members from the various Rancho Murieta entities: Committee Chair Michael Martel, Joseph Blake and Chief Remson from Rancho Murieta Community Services District and Sam Somers, Sr., Greg Vorster and Danise Hetland from Rancho Murieta Association. Residents Brian Skinner and Ray Matheny were also on the Committee due to their expertise in the field.

The Committee conducted site visits to view other security camera systems, including Mule Creek State Prison, Cosumnes Community Services District, and Natomas Park Homeowner Association. Committee members also discussed operations with the staff of each organization.

Several Committee members attended the International Security Conference in Las Vegas, which allowed members to view camera systems and discuss them with the vendors.

Several meetings were held. The Committee discussed camera systems in the current community and in future development, Security Impact Fees, and the benefit of cameras and the concerns that need to be addressed. Staff obtained quotes from several vendors. The vendors made presentations to the Committee and answered questions. After the presentations and follow-up information was received, the Committee recommended a vendor for the North Gate Project, Watchdogs Surveillance. The vendor has begun wiring the new gate building.

The Surveillance Camera Implementation, Integration and Expansion Plan will be updated with recommendations and presented to the Security Committee for comment at the March meeting.

After discussion the Committee Chair recommended that the Security Ad Hoc Committee be disbanded until needed again.

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Receive Water Treatment Plant Expansion Project Updates

RECOMMENDED ACTION

No action - receive update.

WATER TREATMENT PLANT EXPANSION PROJECT

The project is continuing. Completed work includes pulling forms and setting edges for new membrane basins, continuing installation of conduit feeds out to future generator site pad and back-pulse and under-drain pumps; completion of air release valve installations and cages on sewer force main installation; preparation and beginning excavation for future treated water effluent pump station; installation of process water line and meter; drilling exterior pilaster footings.

The major project news is that after a discussion with GE on January 14, it was clear that the overall project schedule provided by Roebbelen Construction Management (CMAR) was not realistic. Their schedule showed that commissioning activities of the facility would be complete within 48 days and we could begin Acceptance Testing on April 25. GE said, and had provided a schedule to CMAR on June 19, 2014, that commissioning would take them between 69-80 days, a three (3) week difference. We immediately followed this up with a meeting with CMAR as to the affect and concerns due to this scheduling update. CMAR reported that they were holding back on incorporating this into the overall schedule hoping to make a determination in January if they had made up enough time to roll back GE's commissioning time needs. Time had not been made up but had fallen further behind. CMAR contends that the primary cause for schedule delay is due to the District not allowing the Water Treatment Plant to be shut down on July 15, 2014, per a revised project schedule that had been added to the Contract bid documents in Addendum #4, pg. 39 of 63. This differed significantly from the late start schedule originally provide in bid Exhibit G – base bid Schedule A which had the operationally agreed upon shutdown scheduled for October 15, 2014. Also, it has always been in the Contract Documents and Specifications that *“Plant 1 can only be taken out of service, without the use of temporary filters, during the winter.”* The actual Plant 1 shutdown took place on September 11, 2014.

At this point a new schedule has been provided by CMAR on January 19, 2015 revised to show Commissioning – Process Startup/ Acceptance testing on July 2, 2015. GE believes we may be able to provide processed effluent into our system sooner; however, Department of Drinking Water (DDW) approval must be obtained. On that front, staff has supplied our DDW Engineer the GE Project Engineer's and HDR's Project Engineer's information to allow us to do so. He expressed that although there are many membrane installations throughout the State; approval still needs to

get obtained through a DDW Water Treatment Committee as membrane treatment is still considered an alternative form of filtration. This is currently being addressed by our DDW Engineer with DDW's head engineer on membrane filtration.

After my initial discussion with GE, staff looked at all possible alternatives to meeting our anticipated water system demands including acceleration of the current project, expediting the Augmentation Well Project, Temporary Filtration, and maximizing output of Plant #2. I am also evaluating continued or increased conservation to discuss with the Improvements Committee.

Recent project photos are shown below.



Membrane basins.



Drilling for pilasters on outside of membrane basins.



Forming of future back-pulse basin wall.



Drilling to install I-beams to shore up building foundation prior to excavating future effluent discharge pump station



Future power conduit trenches

HARD CONSTRUCTION COSTS (via Roebbelen)

Project Construction Summary								Source of Funding		
Contractor	Work Type	Contract Amount	% Billed to Date	Total Amount Billed to Date	Amount Billed This Month	Contract Amount Remaining	CSD	R&B LOC	CFD 2014	
							\$4.358 million	\$4.136 million	\$3.818 m Ph 1 \$0.540 m Ph 2	
Roebbelen Construction Management Services	General Conditions	781,205	60%	468,723	78,121	312,482	165,928	157,491	145,304	
River City Painting	Painting	291,000	-			291,000	0	0	0	
GE Technology	Membrane Supplier	2,173,800	49%	1,070,109	0	1,103,691	378,819	359,557	331,734	
JD Pasquetti	Sitework	555,659	60%	332,914	0	222,746	117,851	111,859	103,203	
Roebbelen Construction	Fencing	53,640	30%	16,078	0	37,562	5,692	5,402	4,984	
KG Walters Construction	Mechanical & Plumbing	4,893,000	43%	2,122,706	521,421	2,770,294	751,438	713,229	658,039	
Bockmon & Woody Electric	Electrical	2,370,266	34%	816,850	138,750	1,553,416	289,165	274,462	253,224	
Marquee	Fire Protection	42,500	15%	6,375	0	36,125	2,257	2,142	1,976	
Total Initial Construction Contracts (with 534,318 Contingency = 11,695,388)		11,161,070	43%	4,833,755	738,292	6,327,315	1,711,149	1,624,142	1,498,464	
Change Order Summary										
Max Contract Change Order Amount		534,318								
Shared Completed Change Orders (Invoiced/Paid)		(45,623)								
CSD Only Completed Change Orders (Invoiced/Paid)*		(22,009)								
Approved Change Orders (Not Invoiced)		(30,098)								
Total Completed/Approved CO		(97,730)								
Amount CO remaining		436,588								
Proposed Change Orders		(63,945)								
Amount CO Remaining (if Proposed COs are approved)		372,643								
* CSD Only Change Orders are in addition to the CSD share of \$4.358m										
Total Construction Amount		11,322,745	Total Hard Costs				1,759,963	1,649,584	1,521,937	

Change Order Detail

Change Order #2 (Complete)	JDP - Drying bed extension shotcrete	5,648
Change Order #3 (Complete)	KGW/JDP - FM change of material	2,888
Change Order #4 (Complete)	JDP - 2" Conduit for Fiber	26,264
Change Order #5 (Complete)	JDP - CLSM trench at lower yard	3,300
Change Order #6 (Complete)	JDP - drying bed clean out	1,882
Change Order #8 (Approved)	RFI #024, replace corroded FCA	6,623
Change Order #9 (Approved)	RFI #009, TW Booster pump station slab	6,029
Change Order #10 (Approved)	ASI #01, check valve/concrete fillet	7,018
Change Order #11 (Complete)	NAOH added slab at tank yard	4,091
Change Order #17 (Complete)	Add gunite for drying bed extension	2,946
Change Order #18 (Complete)	KGW - Door 302 added lockset	345
Change Order #19 (Approved)	Zenon - GE dimension Clar.Support Grate	2,815
Change Order #21 (Complete)	RFI #19, Transformer Relocation	1,542
Change Order #25 (Complete)*	Drying Bed cleanout and sand infill (CSD only)	13,482
Change Order #30 (Complete)	RFI #060, relocate 12" line for stair conflt	1,725
Change Order # 24 (Deleted)	RFI #024, deleted ARV at sta 227+47	(5,008)
Change Order # (Pending)*	Siding Replacement (CSD only)	63,945
Change Order #34 (Approved)*	Plant 2 SLC Ethernet connection (CSD only)	8,527
Change Order #36 (Approved)	GE Upgraded Maintenance Table	5,013
Change Order #40 (Approved)	Additional Spare Parts	2,600

Total Change Orders**161,675**

SOFT CONSTRUCTION COSTS (CSD Direct Expenses to be shared equally)

Service Cost Summary						Source of Funding		
Item	Company/Agency	Estimated Soft Cost	Contract/Actual Soft Cost	Amount Billed to date	Contract Remaining	CSD \$4.358 million	R&B LOC \$4.136 million	CFD 2014 \$3.818 m Ph 1 \$0.540 m Ph 2
Preconstruction CM Assistance	Roebbelen CMS	49,049	49,049	49,049	0	17,363	16,480	15,205
Design Engineering	HDR Engineering	240,000	239,982	239,982	0		239,982	
CEQA NOI/MND	HDR Engineering	40,000	71,070	63,559	7,511	5,583	53,088	4,889
Design Geotech	Youngdahl and Associates	3,000	2,600	2,600	0	920	874	806
Construction Engineering Assistance	HDR Engineering	150,000	167,565	136,096	31,469	48,178	45,728	42,190
Special Construction Inspection	Youngdahl and Associates	50,000	34,547	14,135	20,412	5,004	4,749	4,382
Misc Fees				709	0	251	238	220
SMUD Service	SMUD	5,000	31,632	31,632	0	11,198	10,628	9,806
Generator Permit	Sac County Air Quality Mgmt	5,000	5,000		5,000			
State Clearinghouse for CEQA	State of CA	3,000	3,000		3,000			
Fish & Wildlife Agency Permits	State of CA	2,000	2,000	921	1,079	326	310	286
Ca Dept Health Review	State of CA	5,000	5,000		5,000			
Road Mitigation	RMA	8,000	12,000	12,000	0	4,248	4,032	3,720
CSD Admin, Legal and Engr. (max per FSA)	CSD	50,000	50,000	50,000	0	17,700	16,800	15,500
Total		610,049	673,445	600,683	72,762	110,771	392,909	97,003

Grand Total (Construction and soft costs)

11,932,794

5,532,167

Total Hard/Soft Costs

1,870,734

2,042,493

1,618,940

Less: Funds Received

(287,771)

(2,358,245)

Pending Draw Request

(1,424,995)

0

Total Outstanding Amount

329,728

(739,305)

**CFD 2014-1
Draw Amount
Based on
Cashflow per
FSA

MEMORANDUM

Date: February 9, 2015
To: Board of Directors
From: Paul Siebensohn, Director of Field Operations
Subject: Receive Conservation Update

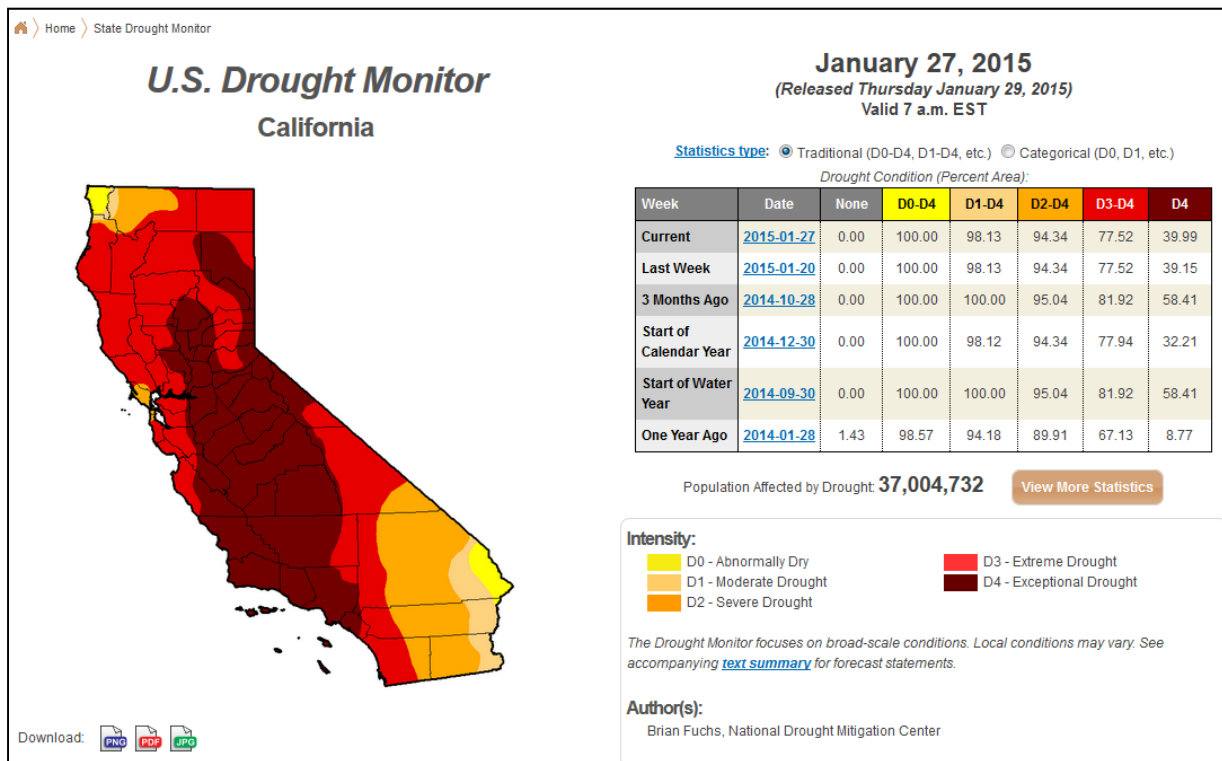
RECOMMENDED ACTION

No action - receive update.

CONSERVATION

Water treatment plant production for January 2015 was up 0.7% vs. the past five (5) year average and decreased 21.8% vs. January of last year. Since in January we received only 0.30" of rain and it was unseasonably warm, some of the community began irrigating again. It is looking as if we are moving into our fourth (4th) year of drought with the long term forecasting from the National Weather Service Climate Prediction Center now showing that the drought will *persist or intensify* in our region and US Drought Monitor has our region in their worst possible drought category.

The Water Conservation schedule is still in effect, however conservation tagging has been reset with the new year.



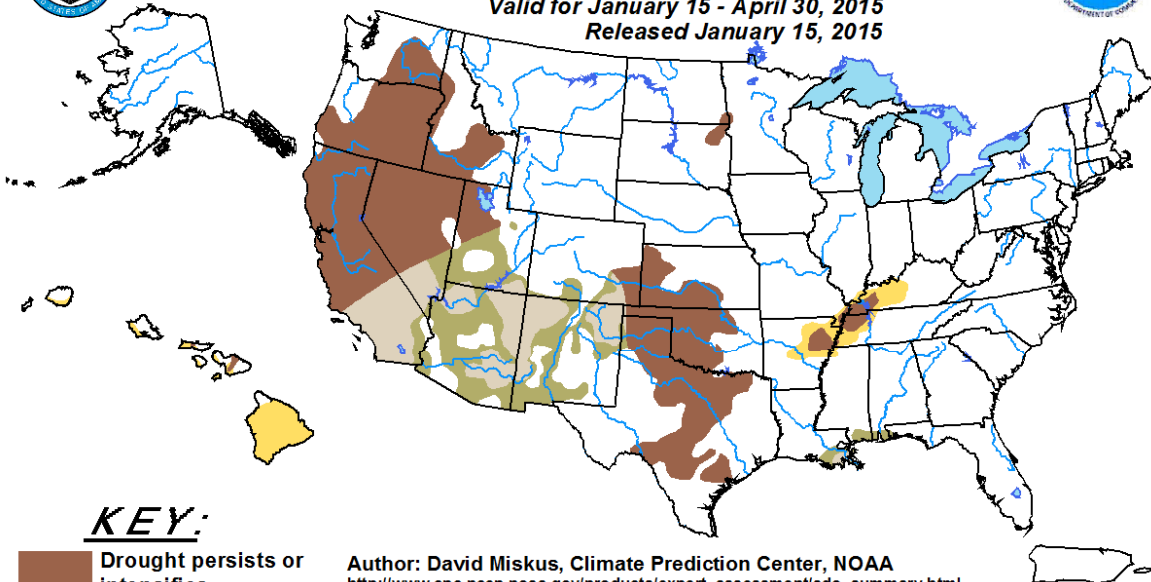


U.S. Seasonal Drought Outlook





Drought Tendency During the Valid Period



Valid for January 15 - April 30, 2015
Released January 15, 2015



KEY:

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

Author: David Miskus, Climate Prediction Center, NOAA
http://www.cpc.ncep.noaa.gov/products/expert_assessment/sdo_summary.html

Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Short-term events -- such as individual storms -- cannot be accurately forecast more than a few days in advance. Use caution for applications -- such as crops -- that can be affected by such events. "Ongoing" drought areas are approximated from the Drought Monitor (D1 to D4 intensity). For weekly drought updates, see the latest U.S. Drought Monitor.

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)

CONFERENCE/EDUCATION SCHEDULE

Date: February 9, 2015
To: Board of Directors
From: Suzanne Lindenfeld, District Secretary
Subject: Review Upcoming Conference/Education Opportunities

This report is prepared in order to notify Directors of upcoming educational opportunities. Directors interested in attending specific events or conferences should contact me to confirm attendance for reservation purposes. The Board will discuss any requests from Board members desiring to attend upcoming conferences and approve those requests as deemed appropriate.

Board members must provide brief reports on meetings that they have attended at the District's expense. (AB 1234).

The upcoming conferences/educational opportunities include the following:

CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA)

Special Districts Legislative Days	May 19-20, 2015	Sacramento
General Manager Leadership Summit	July 12-14, 2015	TBA

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

No Information Currently Available on Upcoming Conferences.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

2015 Spring Conference & Exhibition	May 5-8, 2015	Sacramento
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AMERICAN WATER WORKS ASSOCIATION (AWWA)

No Information Currently Available on Upcoming Conferences.

ISC WEST

2015 ISC West Public Security And Safety Expo	April 14 – 16, 2015	Las Vegas
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MEMORANDUM

Date: February 12, 2015
To: Board of Directors
From: Darlene J. Gillum, General Manager
Subject: Discuss Parks Committee Meeting Agenda Items

RECOMMENDED ACTION

Discuss Parks Committee agenda items and provide direction to the District's Parks Committee representative.

BACKGROUND

The District requested a Parks Committee meeting be scheduled and provided agenda items. The Parks Committee meeting is scheduled for 4:00 p.m. on Tuesday, February 24, 2015 at the Rancho Murieta Association Building. Normal practice is for the Board to discuss and provide direction to the District's Parks Committee representative on the District's position on each agenda item. Below is the list of agenda items that the District requested be placed on the agenda.

- Parks fund balance - year 2013 and 2014 - RMA Park Development Reserve as of December 31, 2014
- Community Center
- Trails System as proposed in the MBA/91 Parks Agreement and roles of RMA and landowners as expressed in the MBA
- 20 acre county park proposed at the airport along the river and community involvement
- Review and amend the June 28, 1991 Parks Agreement
- Review Parks Matrix and funding allocations
- Review the Rancho Murieta Park Development Fund estimated future fund balance - advance funding for parks and recreational facility