



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 JACKSON ROAD
RANCHO MURIETA, CA 95683
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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

May 15, 2013

Closed Session 3:30 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
Roberta Belton	Vice President
Betty Ferraro	Director
Paul Gumbinger	Director
Michael Martel	Director

STAFF

Edward R. Crouse	General Manager
Darlene Gillum	Director of Administration
Greg Remson	Security Chief
Paul Siebensohn	Director of Field Operations
Suzanne Lindenfeld	District Secretary

**RANCHO MURIETA COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
MAY 15, 2013**

Closed Session 3:30 p.m. - Open Session 5:00 p.m.

AGENDA

	RUNNING TIME
1. CALL TO ORDER - Determination of Quorum - President Pasek (Roll Call)	3:30
2. ADOPT AGENDA (<i>Motion</i>)	3:35
3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES (<i>5 min.</i>)	3:40
4. CLOSED SESSION	3:45
<i>Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to 54956.9(b): Two Potential Cases.</i>	
<i>Conference with Legal Counsel – Existing Litigation Pursuant to Government Code section 54956.9(a). Name of case: Rancho Murieta Community Services District v. Elk Grove Bilby Partners, LP, Sacramento County Superior Court Case No. 34-2011-00097778.</i>	
<i>Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to Government Code Section 54956.9(c): (Two Potential Cases).</i>	
<i>Under Government Code section 54956.8: Conference with Real Property Negotiators - Real Property APN 128-0080-067; APN 128-0080-068; APN 128-0080-069; APN 128-0080-076; and APN 128-0100-029. Real Property Agency Negotiator: Edward R. Crouse, General Manager. Negotiating Party: CSGF Rancho Murieta, LLC, BBC Murieta Land, LLC, Murieta Retreats, LLC, PCCP CSGF RB PORTFOLIO, LLC. Under Negotiation: Price and Terms.</i>	
<i>Under Government Code 54957: Public Employee Performance Review: Title: General Manager.</i>	
5. OPEN 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>	








- 6. REPORT ACTION FROM CLOSED SESSION** 5:00
- 7. COMMENTS FROM THE PUBLIC** 5:15
The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcome, subject to reasonable time limitations for each speaker.
- If you wish to address the Board at this time, 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. No action will be taken.*
- 8. CONSENT CALENDAR (Motion) (Roll Call Vote) (5 min.)** 5:20
All the following items in Agenda Item 8 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. April 17, 2013 Board Meeting
 - 2. April 26, 2013 Special Board Meeting
 - b. Committee Meeting Minutes (Receive and File)**
 - 1. May 1, 2013 Personnel Committee Meeting
 - 2. May 2, 2013 Improvements Committee Meeting
 - 3. May 2, 2013 Finance Committee Meeting
 - 4. May 2, 2013 Security Committee Meeting
 - 5. May 3, 2013 Communication & Technology Committee Meeting
 - c. Approval of Bills Paid Listing**
- 9. STAFF REPORTS (Receive and File) (5 min.)** 5:25
- a.** General Manager's Report
 - b.** Administration/Financial Report
 - c.** Security Report
 - d.** Water/Wastewater/Drainage Report
- 10. CORRESPONDENCE (5 min.)** 5:30
- a.** Letter from Rob Schultz, dated April 20, 2013
 - b.** Letter from Gregory F. Dyer, dated April 23, 2013
 - c.** Email from Candy Chand, dated April 27, 2013
 - d.** Email from Matthew McGuire, dated April 27, 2013
- 11. APPROVE PROPOSAL FOR WATER TREATMENT PLANT REDESIGN PLANS** 5:35
(Discussion/Action) (Motion) (5 min.)
- 12. RECEIVE 2012 DIVERSION REPORT – Presentation by Jack Fiori, California Waste Recovery Systems** 5:40
(Discussion/Action) (15 min.)

- 13. APPROVE CALIFORNIA WASTE RECOVERY SYSTEMS CONTRACT – SEVENTH AMENDMENT** (Discussion/Action) (Motion) **(Roll Call Vote)** (5 min.) 5:55
- 14. APPROVE ADDITIONAL TERM OF COLLECTION SERVICES CONTRACT WITH CALIFORNIA WASTE RECOVERY SYSTEMS** (Discussion/Action) (Motion) **(Roll Call Vote)** (10 min.) 6:00
- 15. REVIEW OF THE PROPOSED 2013/2014 BUDGET AND CAPITAL PROJECTS** (30 min.) 6:10
- a. Presentation by Staff.
 - b. Public comment on the 2013-2014 Budget, including Capital Projects.
 - c. Board Discussion/Approval of Resolution 2013-02, a Resolution approving the Proposed Budget for Fiscal Year 2013-2014, including Capital Projects. (Discussion/Action) (Motion) **(Roll Call Vote)**
- 16. TIMED ITEM - PUBLIC HEARING – 5:30 P.M. – REVIEW OF THE PROPOSED RATE INCREASES AND SPECIAL TAX ADJUSTMENTS** (20 min.) 6:40
(Time is approximate but will not be conducted before 5:30 p.m.)
- a. Presentation by Staff.
 - b. The Board President will open a public hearing for public comment on Ordinance 2013-01, Amending Chapter 14 of the District Code, Relating to Water; Amending Chapter 15 of the District Code Relating to Sewer; Amending Chapter 16 of the District Code Relating to Drainage; Amending Chapter 16A of the District Code Relating to Drainage Tax, Amending Chapter 21 of the District Code Relating to Security; and Amending Chapter 31 of the District Code Relating to Solid Waste Collection and Disposal.
 - c. The Board President will close the public hearing on Ordinance 2013-01, Amending Chapter 14 of the District Code, Relating to Water; Amending Chapter 15 of the District Code Relating to Sewer; Amending Chapter 16 of the District Code Relating to Drainage; Amending Chapter 16A of the District Code Relating to Drainage Tax, Amending Chapter 21 of the District Code Relating to Security; and Amending Chapter 31 of the District Code Relating to Solid Waste Collection and Disposal.
 - d. Board Discussion/Introduction of Ordinance 2013-01, an Ordinance Amending Chapter 14 of the District Code, Relating to Water; Amending Chapter 15 of the District Code Relating to Sewer; Amending Chapter 16 of the District Code Relating to Drainage; Amending Chapter 16A of the District Code Relating to Drainage Tax, Amending Chapter 21 of the District Code Relating to Security; and Amending Chapter 31 of the District Code Relating to Solid Waste Collection and Disposal. (Discussion/Action) (Motion) **(Roll Call Vote)**

- 17. **DISCUSS PTF REQUEST FOR BOARD OF DIRECTORS PARTICIPATION IN FINANCING AND SERVICES AGREEMENT** (Discussion/Action) **(Motion)** (15 min.) 7:00
- 18. **APPROVE HOTEL SITE WILL SERVE LETTER AGREEMENT** (Discussion/Action) **(Motion)** (5 min.) 7:15
- 19. **APPROVE PAYMENT OF TAX FOR 6B GENERATOR REPLACEMENT** (Discussion/Action) **(Motion)** (5 min.) 7:20
- 20. **APPROVE 2012-13 AUDIT PROPOSAL** (Discussion/Action) **(Motion)** (5 min.) 7:25
- 21. **APPROVE REGIONAL WATER AUTHORITY PROPOSED AMENDMENTS TO THE RWA JOINT POWERS AGREEMENT (JPA)** (Discussion/Action) **(Motion)** **(Roll Call Vote)** (5 min.) 7:30
- 22. **REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES** (Discussion/Action) **(Motion)** (5 min.) 7:35
- 23. **MEETING DATES/TIMES FOR THE FOLLOWING:** (5 min.) 7:40

Next Regular Board Meeting: June 19, 2013

Committee Meeting Schedule:

-  Joint Security - Friday, May 31, 2013 at 9:00 a.m. at Murieta Village
-  Personnel - Wednesday, June 5, 2013 at 9:00 a.m.
-  Improvements - Thursday, June 6, 2013 at 8:30 a.m.
-  Finance – Thursday, June 6, 2013 at 9:30 a.m.
-  Security - Thursday, June 6, 2013 at 10:00 a.m.
-  Communications - Friday, June 7, 2013 at 9:00 a.m.
-  Parks - T.B.A.

- 24. **COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF** 7:45
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.

- 25. **ADJOURNMENT** **(Motion)** 7:50

"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 May 10, 2013. Posting locations are: 1) District Office; 2) Plaza Foods; 3) Rancho Murieta Association; 4) Murieta Village Association.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Regular Board of Directors Meeting

MINUTES

April 17, 2013

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 5:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Betty Ferraro, and Michael Martel. Also present were Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Directors Belton and Gumbinger were absent.

2. ADOPT AGENDA

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

3. SPECIAL ANNOUNCEMENTS AND ACTIVITIES

None.

4. COMMENTS FROM THE PUBLIC

Ted Hart, lot 825 commented asked about the status of the Will Serve Letters and Water Plant 3. Darlene Gillum stated that the District will address those items at the April 26, 2013 Board workshop. President Pasek stated that the workshop will decide how the District will proceed with the water plant and the will serve letter will be addressed thereafter.

5. CONSENT CALENDAR

Motion/Martel to adopt the consent calendar. **Second/Ferraro. ROLL CALL VOTE: Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

9. STAFF REPORTS

No comments.

John Sullivan stated that at the Improvements Committee meeting, he asked that the District not refer to the Financing and Services Agreement (FSA) as having anything to do with Rancho Murieta 670, LLC. The General Manager's report continued to refer to Rancho Murieta 670, LLC in the terms of the FSA. Mr. Hock, PCCP, and Reynen & Bardis, and/or Gary Parker do not represent Rancho Murieta 670, LLC. Mr. Sullivan also voiced his concerns regarding the FSA and that Rancho Murieta 670 LLC is not in agreement with the terms of the FSA.

Director Martel stated that he had asked for all notes relating to the negotiations that Ed Crouse and Jonathan Hobbs are doing independent of the Board.

President Pasek stated that he recalls that the statement was made that Les Hock represents those other than the Gardens. Mr. Sullivan stated that is incorrect, Mr. Hock only represents PCCP at this point.

Director Ferraro stated that she has requested the District get in writing who Les Hock represents. Mr. Sullivan stated that the majority of interest in Rancho Murieta 670, LLC will not sign the FSA or be party to it and that they no longer choose to have Les Hock or Gary Parker have any involvement in negotiations on their behalf.

Mr. Sullivan stated that the non-Mello Roos money that was used to pay for infrastructure built for the non-Mello Roos property is roughly \$2.5 million dollars, not \$12.9 million.

7. CORRESPONDENCE

No comments.

8. RECEIVE UPDATE ON PUBLIC COMMENTS WATER USAGE FACTOR REVIEW

President Pasek stated that he received only one (1) comment from John Sullivan and he forwarded that on.

9. ADOPT DISTRICT POLICY 2013-02, RECORDING OF COMMITTEE MEETINGS

Darlene Gillum gave a brief summary of Policy 2013-02. The Communications & Technology Committee recommended the Board decide on how long the recordings are kept. By consensus, the Board agreed the recordings should be kept for no less than one (1) year after the approval of the Committee meeting minutes.

President Pasek stated that the reason he wanted them recorded and the recording held for a year is because the minutes do not reflect the actual conversation that took place.

Motion/Ferraro to adopt District Policy 2013-02, Recording of the District Committee meetings, with the change that the recordings are kept for one year after the approval of the Committee meeting minutes. **Second/Martel. ROLL CALL VOTE: Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

Director Martel stated that he feels it is important for the Board meetings to be videotaped. President Pasek suggested the item be brought up at the end, under Director Comments.

10. APPROVE PROPOSAL FOR 360 EVALUATION OF MANAGEMENT AND SUPERVISORY STAFF

Darlene Gillum gave a brief summary of the recommendation to approve the proposal for a 360 performance evaluation. The total process will take approximately four (4) months. Darlene stated that Katie, from Koff and Associates, will be at the May Personnel Committee meeting to answer questions.

President Pasek stated that the purpose of the reviews is to help improve performance of the management staff. Darlene added that it will also give them a view point of how other staff see them. President Pasek suggested these evaluations be done every three (3) years.

Director Martel asked what will happen with the report once it is completed. President Pasek stated that the study will tell management what training or counseling is needed to help improve the employee's performance.

Director Martel stated that the District needs to be careful how these are used, as they can be used to go after an employee that someone has an issue with. Darlene stated that the report given to the Board will be a summary report, not the individual ratings.

Motion/Ferraro to approve the proposal from Koff & Associates for a 360 performance evaluation of unrepresented management, in an amount not to exceed \$6,500. Funding to come from Administration Operating Budget. **Second/Martel. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

11. APPROVE PROPOSAL FOR ADDITIONAL DESIGN SERVICES FOR MAIN LIFT NORTH SEWER PUMPING STATION WET WELL REHABILITATION PROJECT

Paul Siebensohn gave a brief summary of the recommendation to approve the proposal for additional design services for Main Lift North Sewer Pump Station Wet Well Rehabilitation Project.

Motion/Martel to approve the proposal from HDR for additional design services for Main Lift North Sewer Pump Station Wet Well Rehabilitation Project, in an amount not to exceed \$20,879, funding to come from Sewer Replacement Reserves. **Second/Ferraro. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.**

12. RECEIVE INFORMATION ON RANCHO MURIETA SOUTH WATER ENTITLEMENTS

President Pasek stated that discussion of this item will be deferred to the May Board meeting.

John Sullivan provided another copy of and commented on the recorded assignments of water and sewer services from Rancho Murieta Properties which is a transfer of 600 will serve letters evidencing Winncrest and FN Projects right to make water available to 600 lots and 300 sewer will serves for the right to hook up sewer to 300 lots. Mr. Sullivan also provided a copy of a document that has to do with 110 will serves for Unit 6 for the right to hook up 110 lots under the Acquisition and Services Agreement. These documents were recorded in 1989 and 1990.

Mr. Sullivan stated that the assignment given to Ed was to be provided with a detail of all the properties in Rancho Murieta that have water and all the properties that do not have water. The other question was what happened to the 50 that were granted by the letter that was written while the General Manager was on sabbatical. Water has been taken from properties and given to properties without Board authorization.

President Pasek stated that some mistakes were made in a couple of areas but now what is our corrective action. Part of the corrective action can be to add the capacity.

Mr. Sullivan stated the Board needs to pass a resolution that says the Board needs to build the capacity that is long past due. And that you do it for the best price, as rapidly as possible to mitigate

whatever mistakes might have been made. Secondly, the Board needs to rescind the policy because the public health department says you got 500,000 gallons of unused capacity.

Mr. Sullivan stated the Water Augmentation Agreement and the Parks Agreement were signed on February 19, 1991. The Mello Roos got shrunk down to \$12,925,000 on February 19, 1991. At that time, the 1.5 million capacity was agreed to between the developers for 1,300 units. This amount is about 30% bigger than what is necessary but other properties will pay that money to the District under reimbursement and it will get paid out to the person who has the money.

President Pasek stated that at the April 26, 2013 Workshop, Jonathan Hobbs, District Legal Counsel, will be providing a written assessment of what the letter of credit can be used for and to what extent. President Pasek requested that Mr. Sullivan have Richard Brandt attend the workshop.

Director Martel commented on his concern that the District never collected the \$900,000 owed for the water capacity given to R&B but the District raised rates over the last 10 years. Director Martel stated he believes an independent group, somebody that has some authority, needs to come in and take a look at and re-coup the money that the District is owed for the hook ups that the District cannot show any documents showing how they gave them except a letter from Greg Hall. Director Martel stated his view is that water rights were taken away from one property and assigned to another property. If the District cannot reconcile in writing or verbally, then he is going to get somebody else to reconcile, and if the District is owed money, which Ed admits is over \$300,000, but Director Martel believes it is over \$900,000.

Director Martel continued to comment that the expansion is something separate from the money owed to rate payers because we have raised rates for 10 years. There has been poor management; there is no documentation in fiscal stuff, no documentation in any minutes, and no documentation anywhere in the District. Director Martel stated it is not by accident that he asked that we record the minutes, we record the executive session, we look at the FSA minutes, we look at the stuff so we can determine who said what to who and who promised what to what.

John Sullivan stated that he will be happy to once again provide the District with the information of where every gallon of water that currently exists in the District belongs. President Pasek directed Mr. Sullivan to give the information to Darlene Gillum.

13. REVIEW AND SELECT CONFERENCE/EDUCATION OPPORTUNITIES

Director Ferraro stated that she would like to attend the CSDA Annual Conference if no other Director wants to attend. President Pasek directed Director Ferraro to check with the other Directors and then make the arrangements. Director Martel stated he is not interested in attending.

14. MEETING DATES/TIMES

No changes.

President Pasek stated the Special Board meeting on April 26, 2013 is a workshop. It begins at 2:00 p.m. and goes until we are through discussing it.

Director Ferraro stated the Joint Security Committee meeting has been changed to April 16, 2013 at 9:00 a.m. at the Rancho Murieta Association building.

15. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

Chief Remson stated that the PTF gate is being opened every day. RMA has put up some boundary signs along the fence line. President Pasek stated that RMA sent out guidelines to the residents. The pump track is being worked on. There were several attempted car thefts on Carreta and Lago; all on unlocked vehicles. Some were rifled through but nothing taken. One resident found a suspect in his car trying to take out the radio. The suspect took off.

President Pasek stated the south side of the Pedestrian Bridge would be an ideal place for a picnic table and a little park.

The ISC West Conference was good. Items looked at included: various cameras, fence alarms, laser beams, license plate readers, gate operators and intercoms. Chief Remson will have various vendors come out to see what it is the District is looking for and have them submit their proposals.

President Pasek asked about the status of the person who broke in to the two-story house. Chief Remson stated he believes the suspect is still in jail. Director Martel stated that Chief Remson should have the CLETS program.

Paul Siebensohn stated that the backfilling the siphon vault extension located at the north end of Lake Chesbro has been completed. The stop logs have been put in place and topping off of the reservoirs should be completed by May 31, 2013.

President Pasek stated that he had Paul Siebensohn visit a water plant and Paul will give a report at the April 26, 2013 workshop.

Director Martel commented on the 50 hook ups given to R&B in 2004 and stated that he will reach out to someone from the outside to look at the difference of opinion that we have on some items. If there comes a point where he is not in the majority of the Board then he will remove himself from most conversations in closed session and request somebody come in after the April 26, 2013 meeting. Director Martel just wanted to let the public know that he is going to reach out to somebody on the outside to take a look at the difference of opinion over the \$900,000 or \$300,000 if we can't resolve it. Director Martel stated he has started working on a draft and will share it with President Pasek.

President Pasek stated that he has asked that the April 26, 2013 workshop meeting be held like we hold our Board Goal Workshop. Some of Mr. Sullivan's representatives will be able to sit at the table for whatever is being discussed.

John Sullivan stated that regarding the design build proposal, he has heard back from his legal counsel who believes that it is a stretch but has not gotten an answer from Jon Hobbs. President Pasek stated that is what will be discussed since what Mr. Sullivan proposed to do, even under a competitive bid, is more than likely what is going to be done and that the technical aspects of that

proposal will be discussed at the April 26, 2013 Special Board meeting. Mr. Sullivan stated that he extended a P.O. to HDR to keep working through till April 26, 2013 so they do not fall behind. HDR, GE, and the rest of his team are planning to be at the meeting.

Director Ferraro stated that the residents need to give their opinion due to the fact that it is their dollars that will be put forth. President Pasek stated that Ranchomurieta.com has had several discussions on this and River Valley Times is going to have an article by Marcia Courson is going to write on the Water Plant also and discuss April 26.

Ted Hart asked if the District is going to send out a general mailing. President Pasek stated no. President Pasek stated there is no need to panic the residents until it gets much clearer on how it is going to go.

Director Martel commented on the dump truck the District returned and wanted the Board to know why staff traded it in instead of offering it to Rancho Murieta Association (RMA) first as was discussed by the Board. Paul Siebensohn stated that the dump truck was not traded in; it was returned since it did not meet the new California Air Resources Board restrictions. The vehicle that the Board suggested be offered to RMA is the mechanic's vehicle – a different vehicle. That vehicle is still being used by staff.

16. ADJOURNMENT

Motion/Martel to adjourn at 6:25 p.m. Second/Ferraro. Ayes: Pasek, Ferraro, and Martel. Noes: None. Absent: Belton and Gumbinger.

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Special Board of Directors Meeting

MINUTES

April 26, 2013

2:00 p.m. Open Session

President Pasek welcomed everyone and stated the purpose of the meeting is to educate everyone on what the present day technology improvements for water plants look like and what it entails to get there. This is not a decision making meeting.

President Pasek commented on comments made on RanchoMurieta.com regarding his personal involvement. President Pasek stated Mr. Sullivan wanted move forward on his development projects and since it all ties into the water plant, President Pasek told Mr. Sullivan he needs to figure out an innovative approach to getting the water plant expanded and a way to finance it.

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 2:00 p.m. in the District meeting room, 15160 Jackson Road, Rancho Murieta. Directors present were Gerald Pasek, Roberta Belton, Betty Ferraro, Paul Gumbinger, and Michael Martel. Also present were Edward R. Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. ADOPT AGENDA

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

Director Belton asked that since the design-build option has been ruled out can the meeting can be shortened or does the District plan to give every bidder the same 2 ½ hour presentation time?

President Pasek stated that it is not a 2 ½ hour presentation; it is a highlight of what Mr. Sullivan is talking about. Meeting with each of the bidders is part of the process and the Board will have to decide if they want that to occur.

Director Ferraro stated that she moves that the Board continue with the agenda.

3. COMMENTS FROM THE PUBLIC

Janis Eckard stated that there should be no building, including the hotel, before the developers pay up front for the water treatment plant expansion, in accordance with the Murieta Gardens county map approval conditions. Ms. Eckard asked the Board to not make any decision until the results from the recent California Public Health Department (CPHD) inspection is received.

Lou Lopez, Lot 66, stated he agrees with Ms. Eckard and feels the community does not need a hotel, but if water is needed for a hotel then they should pay for it.

Mo Chaudhry commented on his 39 years of experience within the water industry and stated if he can be of some help, he would like to get involved in this process. Mr. Chaudhry stated that he will be attending more meetings.

a. History of Water Treatment Plant 1 and Lack of Capacity for Long Term Community Progress

Ed Crouse gave a brief summary of the history of Water Treatment Plant 1, which was built by Pension Trust Fund (PTF) in 1975. In 1997, the plant filters were upgraded to be in compliance with the new regulations from California Department of Public Health (CDPH). This plant has been operating since 1975 at an efficient level. The District recognizes the useful life of the plant at 40 years. It is the District's intent to rehabilitate the plant in 2015, at a cost of about \$1.5 million.

In 2010, District recognized that it would have to spend about \$1.5 million out of reserves and decided to start increasing rates over time in order to generate sufficient reserves so if the District has to borrow money there would not be a big rate increase. Since 2010, the plan was to increase our rates about \$0.75 a month for the next five (5) years which would cover the reserve replacement amounts.

ID#1 built Water Plant #2. Water Plant #3 which is required for Rancho Murieta South, was identified in CFD #1 that was formed in early 1990's to provide infrastructure for the residents of the South. That has been deferred at the request of the developers since the early 1990s.

Director Martel commented on documents he read which required that the third phase be built when a certain amount of houses has been reached on the South. Director Martel also commented on a letter, from 1991, in which Winncrest asked the District to not go forward with the expansion at that time, even though it was a requirement by the County.

Ed Crouse stated that the County Ordinance does state that the District is supposed to expand the plant but it also has the inference that says unless determined by the District that sufficient capacity is available. So, while the plan is to expand the plant, the District has been able to accommodate the additional units within the existing capacity.

Director Martel stated he wants to find out where the extra capacity came from, where it went, and who paid for it.

Ed Crouse stated that in 2010 the District undertook an Integrated Water Master Plan (IWMP) update. The IWMP planned for the MBA density, which the District considers roughly 4,350 residential units both North and South. In the early 1970s, a master plan was adopted by Sacramento County that envisioned 189 Murieta Village lots plus 5,000 residential lots. In 1986, that was reduced to roughly 4,700 homes. But now, due to the MBA, that number is now roughly 4,300 to 4,400 units.

The Board took a break at 2:24 p.m. and returned at 2:29 p.m.

Dick Brandt commented on his participation in forming the District, being a member of the Board from 1982 to 1990, and from April 1993 to 2006, was general counsel for the District. Mr. Brandt

stated he is no longer a practicing attorney but has been working with Mr. Sullivan regarding financing issues and believes the water being passed out has been borrowed, temporarily, from the entitlements that were issued pursuant to the Acquisition and Services Agreement in 1986.

Director Ferraro asked who was doing the borrowing. Mr. Brandt stated the Murieta South developers borrowed it from the owners of property located on the North and from Murieta Gardens. Mr. Brandt stated that Murieta Gardens has actually paid an assessment of over \$1.3 million.

Director Belton stated that over the course of time that Mr. Brandt was on the Board and then as acting legal counsel, he accumulated a significant amount of confidential information that puts him in a position of severe conflict of interest.

Mr. Brandt stated he is talking about public financing and all that information is available to the public. Mr. Brandt commented on the \$20 million worth of bonds for the South in 1990. In order to issue the bonds, the District had to prove the property was of sufficient value. When the appraisal came in October of 1990, it was adequate to support only \$12 million in bonds, of which only \$9 million was going to be available for facilities. There was \$15 million in hard costs required to build the facilities needed, leaving a \$6 million shortfall which is the reason for the Reimbursement and Shortfall Agreement. The appraisal had a specific condition that it would have the value sufficient to support only if there was a guarantee that all facilities would be built, which is where the letter of credit comes in. Mr. Brandt stated that the District should call that letter of credit, exercise all of its contract rights under the Reimbursement and Shortfall Agreement before spending any of the District's own money.

Director Ferraro stated that she wanted to be sure the people in the audience understand that the initial proposal from Mr. Sullivan presented is now null and void and a new proposal put before us.

b. Why Membranes for Water Treatment Plant and Expandability with this Approach? Why Now?

Ed Crouse stated that the water treatment plant uses 1970-1980 technology, a sand filter system. In 2003, our engineer, HDR, did a study and determined that a submerged membrane system would work best for our treatment plant. This would involve removing the sand filter system from existing Plant #1 and putting in a submerged membrane system. Staff recently contacted HDR to see if that technology is still appropriate and if there are any upgrades to that technology. Rich Stratton, HDR, submitted a letter saying that the submersible membrane treatment plant upgrade is still appropriate for Rancho Murieta and that there are several newer generations of the membrane itself.

c. Public Works contracting Methods/Design Build Limitations/Alternative Contracting Methods

Jonathan Hobbs, General Counsel for the District, commented on the concept of a design – build proposal to upgrade the water treatment plant. A design build proposal is where the District would bid to a team of professionals and contractors, to try to develop and build the plant. Mr. Hobbs has researched and analyzed it with Mr. Sullivan's attorney, Greg Dyer, and both have come to the same conclusion that the process is not available to the District.

One option available to the District is the design bid, build, which is when a professional engineer is hired to come up with the project and plans. The plans and specifications are then put out to bid and awarded to the lowest bidder. The District can choose not to award the contract, to reject all the bids and re-bid, or they can not to go forward with the project. Putting a project out to bid does not require the District to award the project to anyone.

Another option is a construction manager at risk (CM at risk). This means the District would hire a construction manager who would give a guaranteed minimum price for the project and then bid the individual trades and assign the contracts to the construction manager to then manage the project and guarantee that it would not exceed the minimum price. One concern with this concept is that the construction manager guarantees a minimum price and then puts pressure upon his/her subcontractors to make sure that the price given is met, and quality of the project can suffer.

Mr. Hobbs recommends using the design, bid, build process.

Director Martel asked what the low bid price was when the District went out to bid in 2004. Ed Crouse stated that in 2003, Richard Stratton, from HDR designed a new plant for the District for full build out. The District had a letter of credit for Rancho Murieta South and a verbal commitment from Pension Trust Fund (PTF). HDR designed the plans and specs which were then put out to bid, and at the third (3rd) week into the bidding process, PTF would not commit to the funding so the District withdrew the request for bids. No bids were received or opened. In 2005, the District updated the plans, got an engineer's estimate of about \$8 million. It was not put out to bid at that time.

d. Presentation and Discussion of Financing Mechanisms and Water Treatment Contracting Methods

Jonathan Hobbs explained how the letter of credit works. Under the Reimbursement and Shortfall Agreement entered into in 1991 and extended out to 2031, a letter of credit was posted and there is currently about \$4.2 million available on it.

It is a valid letter of credit and can be drawn upon, subject to certain conditions being met. Costs are billed to the District and then a demand is made upon the developer, the developer can then pay that demand or not. If they do not pay the demand, the District can then draw on the letter of credit. The requirements of the letter of credit need to be met so the District is not in breach of any agreement.

Greg Dyer, who represents Cosumnes River Land, asked if the bill for HDR in 2003 and 2005 submitted to Reynen & Bardis for reimbursement. Ed Crouse stated that it was and they paid it out of pocket and the letter of credit was reduced accordingly. Of the original \$6.6 million, Reynen & Bardis spent \$2.4 million, which leaves the remaining amount of the letter of credit at \$4.2 million.

Bob Kjome, Roebbelen Contracting, Inc. stated that his company has worked on over 100 CM at risk projects for public agencies, including special districts. When projects are broken into multiple prime trade contracts, each contract is publicly bid through the public works bidding process and opened with bid bonds and those contracts are then assigned to the construction manager for the

purpose of administration of the contract only. His experience in CM at risk is a viable approach that has been proven successful over time.

Mr. Hobbs stated that Jeff Small of Capital PFG is here to give a presentation on ways to finance the rehabilitation and expansion of the treatment plant. Director Martel asked if the company works for Mr. Hobbs's firm. Mr. Hobbs stated no, he does not work for his firm. Director Martel then asked if his firm hired him. Mr. Hobbs said no, public agencies do.

Jeff Small, Managing Partner, and Cathy Dominico, of Capital Public Finance Group, gave a presentation on ways to finance the rehabilitation and expansion of the water treatment plant. Areas covered included: identification of funding needs, revenue sources, financing options and moving forward. The steps to funding the project include development of a financial plan, implementation of revenue sources and implementation of financing mechanism. Mr. Small recommended the District first develop a financial plan before going any further with financing the project.

Carl Gaither, lot 441, commented on how confusing this workshop has been and asked if Mr. Sullivan's projects were eliminated, would the treatment plant as is right now have to be overhauled. Ed Crouse stated that the treatment plant is reaching its useful life. Mr. Gaither asked if the technology needs to be changed with the new development coming in. Mr. Crouse said no but since there are continual regulatory environment changes, the membrane technology is the better way to go for the future.

Director Martel commented on how confusing it can be when trying to reconcile all the documents/information.

Greg Dyer commented on his belief that Murieta Gardens has already paid for the water.

John Merchant asked if an invoice for upgrading the water plant to a membrane system can it be submitted for payment against the letter of credit. Mr. Hobbs stated that the costs need to be incurred as a result of the upgrades. Ed Crouse clarified that the letter of credit is a guarantee of payment for new construction of any facility that benefits the South.

Director Belton stated that a revenue bond does not need to go to a vote of the electorate and suggested an advisory vote to get the public's input.

Director Martel commented on how people that own property believe they have certain entitlements and how much money the District will have to spend defending things that are not documented properly.

Mo Chaudhry commented on the need for an outreach plan to keep the community informed of what is going on; the meeting is confusing, too much information at one time; and the District needs to develop a business plan for the project. Director Ferraro stated she hopes this will go to the Communications & Technology Committee to develop the outreach.

John Meehan stated that the District needs to look at doing phase development. President Pasek agreed and stated that is what the membrane technology allows for.

Bill Geyer commented on his feeling that the hotel is needed and is willing to work with the District and Mr. Sullivan regarding this issue.

The Board took a break at 4:21 p.m. and returned at 4:28 p.m.

e. Cosumnes River Land, LLC/John Sullivan's Conceptual Approach for Water Treatment Plant 1 and Water Service to Hotel

John Sullivan stated that he brought his design build team: Bob Kjome of Roebbelen, a former Board member; Josh Twist and his dad of TNT Industrial, a general engineering contractor; Dean Boom who handles the GE representative for this area; and Rich Stratton of HDR who has worked with the District in the past.

Rich Stratton gave a brief overview of the GE system. Mr. Stratton stated that Water Treatment Plant 1 will need to be shut down during construction and that water capacity will need to be made up elsewhere. When HDR did the plant design back in 2003 and update to the plans in 2005, a CEQA exception was completed, so little to no CEQA work should be needed.

f. Cosumnes River Land, LLC/John Sullivan's Management Approach – Team Qualifications

Qualifications in the packet – not discussed.

g. Cosumnes River Land, LLC/John Sullivan's Contractual Approach, Role of the District, GE Capital Lease

Greg Dyer commented on the negotiations between Cosumnes River Land, LLC and the District over the last several months. Mr. Dyer stated that it is their contention that the Murieta Gardens project has already paid their fair share and requests that, to avoid litigation, the Board reach an agreement at the May 15, 2013 Board meeting regarding issuing will serve letters so the project can proceed. Cosumnes River Land is willing to pay \$175,000 to HDR to continue working on the water treatment plant plans.

Janis Eckard asked that the Board not make any decision until the CDPH inspection report is received.

Steve Murphy commented on the letter of credit and stated that the District needs to correct the past mistakes and go forward.

Ted Hart commented on the lack of attendance at regular Board meetings, the District has been very transparent in discussing this issue, and feels that the District needs to move quickly.

Mo Chaudhry commented on the need for more information and the need to have the community on board with the project before a decision can be made.

Janis Eckard agreed with Mr. Chaudhry and requested that the Board not compromise the community.

Director Martel commented on his wanting information on who does and doesn't have water, televising Board meetings, and County documents stating that the water treatment plant needs to be up and running before any development plans can be approved. Director Martel stated that he would like to have someone come in and look at the District's books.

h. The Way Forward – Next Steps and Directions to Staff

President Pasek stated that the next steps should be to 1) proceed with updating the design documents, 2) work with Cosumnes River Land, LLC in reaching an agreement, 3) and develop a financial plan.

Jonathan Hobbs stated that the District is not in agreement with Cosumnes River Land, LLC's claim that they have already paid for their water entitlements.

Staff direction for the May Board meeting are to work on agreement with Cosumnes River Land, LLC, on the will serves and to work with HDR on their redesign proposal to include evaluation of alternative capacity scenarios.

Ken Kosh commented on how the District needs to start with today and go forward, not keep bringing up the past.

Julie Samms commented on verifying the terms of the letter of credit, that the building of Plant 3 was deferred for a reason, contract manager at risk, use of the membrane technology, and requested the Board wait to make any decision until the CDPH annual report is received.

5. COMMENTS/SUGGESTIONS – BOARD MEMBERS AND STAFF

None.

6. ADJOURNMENT

Motion/Gumbinger to adjourn at 5:54 p.m. **Second/Belton. Ayes: Pasek, Belton, Ferraro, Gumbinger, and Martel. Noes: None.**

Respectfully submitted,

Suzanne Lindenfeld
District Secretary

MEMORANDUM

Date: May 1, 2013
To: Board of Directors
From: Personnel Committee Staff
Subject: May 1, 2013 Personnel Committee Meeting

Director Ferraro called the meeting to order at 9:00 a.m. Present were Directors Ferraro and Gumbinger. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations, and Suzanne Lindenfeld, District Secretary.

COMMENTS FROM THE PUBLIC

None.

UPDATES

Employee Relations

Paul Siebensohn reported that his department is advertising for the seasonal temporary position. So far only one (1) application has been received.

Chief Remson reported that the Security Patrol Officer out on a work related injury will be having surgery. He will not return for 6 to 8 weeks after the surgery.

Darlene Gillum stated there is nothing new to report.

Ed Crouse stated that everything is going well.

REVIEW BOARD GUIDELINES

The draft Board Guidelines are currently under legal review. The goal is to have them to the Committee in June.

Director Ferraro commented on her concern regarding recent comments being made by individual Directors in meetings and in responding to blogs that may not follow current policy and the proposed guidelines.

Director Gumbinger suggested a Board workshop be held to review the Board Guidelines prior to adoption to review the guidelines with the Directors. Director Ferraro agreed.

REVIEW 360 EVALUATION SURVEY QUESTIONS, KOFF & ASSOCIATES

Ed Crouse recommended this item be carried over to the June Committee meeting to allow the Board and staff to review the survey questions. The Committee agreed.

DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

Ed Crouse reported that there are two (2) employee events coming up: Cinco de Mayo lunch on Friday for staff and the Employee Appreciation Luncheon in June. Suzanne will be sending out the information for the Employee Appreciation Luncheon.

Paul Siebensohn reported that staff has asked if staff also get to evaluate the Directors. Director Gumbinger stated yes, Directors should be included.

Chief Remson reported that staff has made comments regarding the cost of the survey.

ADJOURNMENT

The meeting was adjourned at 9:30 a.m.

DRAFT

MEMORANDUM

Date: May 2, 2013
To: Board of Directors
From: Improvements Committee Staff
Subject: May 2, 2013 Committee Meeting Minutes

1. CALL TO ORDER

Director Pasek called the meeting to order at 8:30 a.m. Present were Directors Pasek and Gumbinger. Present from District staff were Edward Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. UPDATES

FINANCING AND SERVICES AGREEMENT

Les Hock requested this item be removed from the May Committee meeting agenda.

AUGMENTATION WELL

Still on hold due to weather.

RECYCLED WATER FEASIBILITY STUDY

No public comments were received regarding the Recycled Water Feasibility Study. Kevin Kennedy will be presenting the final draft for review at the June Board meeting with the goal of Board approval in July.

4. WATER TREATMENT PLANT REDESIGN PROPOSAL – RICH STRATTON, HDR

Ed Crouse gave a brief summary of HDR's Water Treatment Plant Redesign Proposal. Mason Beck, HDR, attended to answer any questions relating to the proposal. John Sullivan suggested staff look to see if an application had been submitted to SMUD back in 2003 or 2005 for an upgrade to the transformer. A discussion followed. **This item will be on the May 15, 2013 Board of Directors meeting agenda.**

5. FINANCING AND SERVICES AGREEMENT

Ed Crouse reported that Les Hock requested that this item be removed from the May Improvements Committee meeting agenda.

6. COMMERCIAL WATER DEMAND FACTORS

Darlene Gillum gave a brief summary of the commercial demand factors analysis using 2005 as the base year. Ed Crouse stated that he will be comparing the District's information to that of other water districts in the area since the number of commercial accounts is too small to be significantly

representative. This is a work in progress with the goal to have a final report for Board review in June 2013.

7. REVIEW CAPITAL IMPROVEMENT PROJECTS PROGRAM

Ed Crouse gave a brief summary of the two (2) proposed FY 2013/14 capital improvement projects and the 5 year Capital Improvements Project Plan Program. A discussion followed.

8. APPROVE TAX FOR 6B GENERATOR REPLACEMENT

Paul Siebensohn gave a brief summary of the recommendation to approve the additional payment to Cummins West to cover the tax for the purchase of an LP Generator. **This item will be on the May 15, 2013 Board of Directors meeting agenda.**

9. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

Paul Siebensohn reported that the design services Main Lift North Sewer Pumping Station Wet Well Rehabilitation Project is on schedule. The goal is to have the draft for review at the June Committee meeting.

10. ADJOURNMENT

The meeting was adjourned at 9:24 a.m.

DRAFT

MEMORANDUM

Date: May 2, 2013
To: Board of Directors
From: Finance Committee Staff
Subject: May 2, 2013 Finance Committee Meeting

1. CALL TO ORDER

Director Pasek called the meeting to order at 9:30 a.m. Present were Directors Pasek and Belton. Present from District staff were Edward Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

2. COMMENTS FROM THE PUBLIC

None.

3. ELK GROVE-BILBY PARTNERS, L.P. FORECLOSURE

Darlene Gillum reported that she received an email from Bill Chisum stating that in early June a sale date will be set.

5. CALIFORNIA WASTE RECOVERY SYSTEMS CONTRACT NEGATIONS (taken out of order)

Jack Fiori, California Waste Recovery Systems, gave a summary of his request to approve an additional ten (10) year term of the Collection Services Agreement with the District. Services enhancements include: household battery collection, cell phone collection, e-waste collection, u-waste collection, increase in volume of large item collection service, used cooking oil collection, and provide the District with quarterly articles for the District's website. A short discussion followed. **This item will be on the May 15, 2013 Board of Directors meeting agenda.**

4. FINAL BUDGET REVIEW AND PROPOSED RATES

Darlene Gillum gave a brief summary of the Draft 2013-14 Budget and reductions since the last meeting. With the reductions, the total rate increase went from 5.15% to 4.6%. Broken down, this increase consists of Operations increase of .4%, WTP1 Debt Prefunding of 2.0% and VV Spray Field Debt Prefunding of 2.3%. A short discussion followed.

Director Belton requested the District come up with a schedule in which the employees pay the entire employee share of PERS. Director Pasek suggested staff have the guidelines drafted by the July meeting.

6. CALIFORNIA WASTE RECOVERY SYSTEMS SEVENTH CONTRACT AMENDMENT

Darlene Gillum gave a brief summary of the recommendation to approve the seventh (7th) contract amendment between Rancho Murieta Community Services District and California Waste Recovery Systems. **This item will be on the May 15, 2013 Board of Directors meeting agenda.**

7. APPROVE 2012-13 AUDIT PROPOSAL

Darlene Gillum gave a brief summary of the recommendation to approve the proposal from Larry Bain, CPA, An Accounting Corporation, for preparation of audit reports (for the District and for the Community Facilities District #1) for the fiscal year 2012-13, in an amount not to exceed \$15,500. Funding to come from the 2013-14 General Administration Operating Budget in the amount of \$13,500 for the District and \$2,000 from the CFD#1. **This item will be on the May 15, 2013 Board of Directors meeting agenda.**

8. DIRECTORS' & STAFF COMMENTS/SUGGESTIONS

None.

9. ADJOURNMENT

The meeting was adjourned at 10:07 a.m.

DRAFT

MEMORANDUM

Date: May 2, 2013
To: Board of Directors
From: Security Committee Staff
Subject: May 2, 2013 Security Committee Meeting

1. CALL TO ORDER

Director Belton called the meeting to order at 10:09 a.m. Present was Director Belton. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary. Director Martel was absent.

2. COMMENTS FROM THE PUBLIC

None.

3. MONTHLY UPDATES

Operations

Sergeant Bieg, Darlene Gillum and Travis Bohannon from the Water Department attended Rancho Murieta Country Club's "Welcome New Home Owner's" event. They provided handouts and information on the District's services.

Security Patrol Officer Scarzella and Sergeant Bieg stopped by the Kiwanis Kids Fishing Day at Lake Clementia. Lots of kids were having lots of fun.

A mountain lion sighting was reported on April 19, 2013 on the "Boulder Trail" on the north back area downstream from the beach. Informational warning signs were posted and Fish & Wildlife was notified.

One of the South Gate barcode readers quit working. A technician came out to troubleshoot the system and found that the laser was out. The unit is still under warranty and will be shipped to the vendor for repair. The turnaround time should be about a week.

Security Patrol Officer Tompkins attended the annual Law Enforcement and Agency Open House at Deer Creek Hills on Latrobe Road. Various representatives from local emergency services and support personnel attended. This section of Latrobe Road is just north of the District boundary. We receive reports of gunshots, parties and bonfires. When those complaints are reported we notify the Sacramento Sheriff's Department dispatch for response.

The injured Security Patrol Officer is still out with a return date of 6-8 weeks. Chief Remson and the other Patrol Officers are covering the shifts.

Incidents of Note

Chief Remson gave a brief overview of the incidents of note for the month of April 2013.

RMA Citations/Advisals

Chief Remson reported on the following Rancho Murieta Association (RMA) rule violation citations for the month of April, which included 22 stop signs and 9 speeding. RMA rule violation admonishments and/or complaints for the month of April included 60 open garage doors, 28 loss/off leash dogs, 26 fishing license, 15 speeding, and 14 barking dogs.

RMA Compliance/Grievance/Safety Committee Meeting

The meeting was held on April 8, 2013. There was discussion regarding the use of Segways in the community. Research showed that according to the California Vehicle Code they are considered "Electric Personal Mobility Devices" and can go anywhere a pedestrian can. The Committee feels they should be allowed within the community. Also discussed was a proposed Non-Arch Rule regarding collecting fines. Possible remedies would be suspension of voting privileges, deactivation of barcodes, and small claims court. There was a letter submitted regarding trash containers and one regarding street parking. The next meeting is scheduled for May 6, 2013.

Joint Security Committee

The next Joint Security Committee meeting was held on April 26, 2013 at the RMA Building. Topics discussed included security surveillance cameras and beach access.

James L. Noller Safety Center

The Safety Center has been open most Mondays and Wednesdays from 10:00 a.m. to 2:00 p.m. VIPS Jacque Villa and Steve Lentz patrol the District as another set of "eyes and ears". Anyone who is interested in joining the VIPS program or would like information on the Neighborhood Watch program can contact the VIPS at the Safety Center office at 354-8509.

The Safety Center is also available to all law enforcement officers for report writing, meal breaks and any other needs that arise.

4. SECURITY SURVEILLANCE CAMERAS

Chief Remson reported he is in the process of requesting vendors to tour the community. He will provide them with information on areas and issues related to coverage and request they submit a proposal that would fit our needs.

5. DIRECTOR & STAFF COMMENTS

None.

6. ADJOURNMENT

The meeting adjourned at 10:30 a.m.

MEMORANDUM

Date: May 3, 2013
To: Board of Directors
From: Communication & Technology Committee Staff
Subject: May 3, 2013 Communication & Technology Committee Meeting

Director Ferraro called the meeting to order at 9:00 a.m. Present were Directors Ferraro and Martel. Present from District staff were Edward R. Crouse, General Manager; Darlene Gillum, Director of Administration; Greg Remson, Security Chief; Paul Siebensohn, Director of Field Operations; and Suzanne Lindenfeld, District Secretary.

COMMENTS FROM THE PUBLIC

None.

PUBLIC OUTREACH – Videos of Water Department

Paul Siebensohn reported that this is currently on the back burner. American Water Works Association (AWWA) has some videos available for purchase regarding various water topics. Director Ferraro felt the cost was too high. Paul stated that videos may not be an option as our website may not be able to handle them.

Paul stated he is going to look into the Boy Scouts doing the videos. Director Ferraro suggested getting high school students to make and star in the videos. Paul stated another option would be to create a PowerPoint presentation to link on to our website.

REBRANDING DISTRICT

Paul Siebensohn reported that staff is currently looking into the costs related to rebranding the District. The patches for the water department uniforms will cost around \$7.00 per patch, plus the costs to make the patch and new uniforms. Other costs will include changing the logo on the District's stationary, billing statements, envelopes, website, business cards, vehicles, etc.

Director Ferraro stated that due to the costs, she recommends staff not proceed with rebranding the District. Director Martel agreed.

DIRECTOR & STAFF COMMENTS/SUGGESTIONS

Director Martel commented on the contract for the new North Gate will be awarded soon and suggested staff be sure to get their technology wish list in. Chief Remson stated that they already have.

Director Ferraro requested that the closed session of the May Board meeting agenda include an item regarding the developers and the FSA. Ed Crouse stated he will be sure it is on the agenda.

Director Ferraro asked who decides how long the District Committee meetings go. Ed stated that it is based on the agenda and how much time the Committee members feel is needed.

ADJOURNMENT

The meeting was adjourned at 9:18 a.m.

DRAFT

MEMORANDUM

Date: May 8, 2013
 To: Board of Directors
 From: Darlene Gillum, Director of Administration
 Subject: Bills Paid Listing

Enclosed is the Bills Paid Listing Report for **April 2013**. 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
AECOM Technical Services, Inc.	Recycled Water Standards	\$190.00	Operating Expense
	RWQCB Letter	\$210.00	Operating Expense
	Title XVI Feasibility Study	<u>\$6,040.00</u>	Reserve Expenditure
		\$6,440.00	
California Waste Recovery Systems	Solid Waste Contract	\$44,626.51	Operating Expense
Edward R. Bacon Company, Inc.	Chain Saw/Concrete Saw	\$5,663.70	Capital Expense
Emergency Communications Network, LLC	CodeREd Annual Maintenance	\$5,000.00	Operating Expense
Golden State Risk Management Authority	Workers Comp & Liability Insurance – 4 th Quarter	\$25,852.30	Operating Expenses
Groeniger & Company	Replace Wet Barrel Hydrants	\$9,314.46	Operating Expense
Kirby's Pump & Mechanical Inc.	Flash Mixer, Paint Backwash Pump	\$5,605.56	Operating Expense
Kronick, Moskevitz, Tiedeman & Girard	Legal Consulting	\$11,954.96	Operating Expense
Carillo Enterprises	Multiple Repairs, Crush Rock	\$17,228.40	Operating Expense
County of Sacramento	Quarterly Waste Disposal	\$8,232.00	Operating Expense
Maddaus Water Management, Inc.	Water Use Factors/Data Normalization	\$11,201.25	Reserve Expenditure
NJ McCutchen, Inc.	WTP1 Drumscreen Cover	\$5,215.49	Operating Expense

Rancho Murieta Community Services District
Bills Paid Listing for April 2013

Ck Number	Date	Vendor	Amount	Purpose
CM26482	4/1/2013	California Public Employees' Retirement Sys	\$33,267.40	Payroll
CM26483	4/1/2013	California Rural Water Association	\$400.00	Training/Conference
CM26484	4/1/2013	Guardian Life Insurance	\$5,363.72	Payroll
CM26485	4/1/2013	Vision Service Plan (CA)	\$474.87	Payroll
ACH	4/1/2013	EFTPS	\$9,716.27	Bi-Weekly Payroll Taxes
ACH	4/9/2013	CA Board of Equalization	\$798.00	2012 Use Tax
CM26486	4/12/2013	A Leap Ahead IT	\$3,635.28	Monthly IT Service
CM26487	4/12/2013	Ace Hardware	\$309.68	Monthly Supplies
CM26488	4/12/2013	AECOM Technical Services, Inc.	\$6,440.00	Title XVI Feasibility Study, Recycled Water Standards
CM26489	4/12/2013	Air Perfection, Inc.	\$2,503.25	Air Compressor Maintenance
CM26490	4/12/2013	Allied Waste Services #922	\$349.35	Container Service
CM26491	4/12/2013	American Express	\$172.48	Monthly Bill
CM26492	4/12/2013	Apple One Employment Serv.	\$172.56	Temporary Services
CM26493	4/12/2013	Aramark Uniform Services	\$192.28	Uniform Service - Water
CM26494	4/12/2013	C.S.D.A.	\$112.66	Salary & Benefits Survey
CM26495	4/12/2013	California Waste Recovery Systems	\$44,626.51	Solid Waste Monthly Contract
CM26496	4/12/2013	Capture Technologies, Inc.	\$227.42	Digital Recorder
CM26497	4/12/2013	Costco Wholesale	\$667.23	Monthly Supplies
CM26498	4/12/2013	County of Sacramento, Environmental Mgt. De	\$587.00	Annual Permit - Crest Lift Station
CM26499	4/12/2013	Dept. of Public Health	\$2,583.00	Annual Water System Fees
CM26500	4/12/2013	Edward R. Bacon Company, Inc.	\$5,663.70	Chain Saw/Concrete Saw
CM26501	4/12/2013	Emergency Communications Network, LLC	\$5,000.00	Annual Maintenance - CodeRED
CM26502	4/12/2013	Employment Development Department	\$16,755.60	Payroll
CM26503	4/12/2013	Eurofins Eaton Analytical, Inc.	\$250.00	MIB & Geosmin Analysis
CM26504	4/12/2013	Express Office Products, Inc.	\$316.60	Office Supplies
CM26505	4/12/2013	Fresh Training Concepts	\$2,495.00	Training
CM26506	4/12/2013	GSRMA	\$25,852.30	Workers Comp & Liability Insurance 4th Quarter
CM26507	4/12/2013	Groeniger & Company	\$9,314.46	Replace Wet Barrel Hydrants
CM26508	4/12/2013	Hanson Pipe & Precast LLC	\$999.80	RCP Extensions & Pipe
CM26509	4/12/2013	Irrigation Consultation & Evaluation	\$793.50	WaterWise House Calls
CM26510	4/12/2013	J B Bostick Company	\$2,100.00	Street Repairs
CM26511	4/12/2013	Kirby's Pump & Mechanical Inc.	\$5,605.56	Flash Mixer, Paint Backwash Pump
CM26512	4/12/2013	KMCREATIVE	\$175.00	Website Updates
CM26513	4/12/2013	Kronick Moskowitz Tiedemann & Girard	\$11,954.96	Legal Consulting
CM26514	4/12/2013	Kyle Yates, Inc.,	\$585.00	Annual SCBA Services
CM26515	4/12/2013	Edward Matwch	\$216.02	Refund Credit Balance
CM26516	4/12/2013	James Moore	\$100.00	Toilet Rebate
CM26517	4/12/2013	Nationwide Retirement Solution	\$1,693.23	Payroll
CM26518	4/12/2013	Northern Tool & Equipment Company, Inc.	\$160.85	Tools
CM26519	4/12/2013	Operating Engineers Local Union No. 3	\$520.56	Payroll
CM26520	4/12/2013	P. E. R. S.	\$25,249.17	Payroll

Rancho Murieta Community Services District
Bills Paid Listing for April 2013

Ck Number	Date	Vendor	Amount	Purpose
CM26521	4/12/2013	PERS Long Term Care Program	\$138.76	Payroll
CM26522	4/12/2013	Pitney Bowes	\$189.09	Ink Cartridges
CM26523	4/12/2013	Plaza Foods Supermarket	\$11.60	Supplies
CM26524	4/12/2013	Romo Landscaping	\$385.00	Landscaping
CM26525	4/12/2013	Sacramento Uniforms	\$142.57	Security Uniforms
CM26526	4/12/2013	Sierra Chemical Co.	\$189.08	Chemicals
CM26527	4/12/2013	Sprint	\$1,122.27	Monthly Cell Phone & Equipment Upgrades
CM26528	4/12/2013	State Water Resources Control Board	\$2,126.26	Check Voided
CM26529	4/12/2013	TASC	\$172.69	Payroll
CM26530	4/12/2013	TelePacific Communications	\$498.22	Monthly Phone Bill
CM26531	4/12/2013	U.S. Bank Corp. Payment System	\$4,230.66	Monthly Gasoline Bill
CM26532	4/12/2013	USA Blue Book	\$215.78	Tools
CM26533	4/12/2013	State Water Resources Control Board	\$183.00	Notice of Intent - Laguna Joaquin
CM26534	4/12/2013	State Water Resources Control Board	\$1,943.26	Annual Fee
ACH	4/15/2013	EFTPS	\$9,504.33	Bi-Weekly Payroll Taxes
ACH	4/25/2013	US Postmaster	\$1,500.00	Postage
CM26535	4/26/2013	Action Cleaning Systems	\$1,235.40	Monthly Cleaning Service
CM26536	4/26/2013	Applications By Design, Inc.	\$2,100.00	Security Data Backup, Barcode Deposit
CM26537	4/26/2013	Aramark Uniform Services	\$282.86	Uniform Service - Water
CM26538	4/26/2013	AT&T	\$1,335.00	Monthly Phone Bill
CM26539	4/26/2013	Baxter Auto Parts Inc.	\$210.59	Alternator Vehicle #517
CM26540	4/26/2013	Caltronics Business Systems	\$1,720.09	Monthly Maint Fee
CM26541	4/26/2013	Carrillo Enterprises	\$17,228.40	Multiple Repairs & Rock
CM26542	4/26/2013	Cell Energy Inc.	\$595.92	Safety Light Battery
CM26543	4/26/2013	Centrl Valley Clean Water Association	\$95.00	Conference
CM26544	4/26/2013	CLS Labs	\$1,107.40	Monthly Lab Tests
CM26545	4/26/2013	County of Sacramento	\$8,232.00	Quarterly Waste Disposal
CM26546	4/26/2013	Coverdale Photography	\$157.32	Director Portrait
CM26547	4/26/2013	Ditch Witch Equipment Company, Inc.	\$33.22	Belts
CM26548	4/26/2013	Employment Development Department	\$2,574.34	Payroll
CM26549	4/26/2013	Express Office Products, Inc.	\$497.91	Office Supplies
CM26550	4/26/2013	Ford Motor Credit Company LLC	\$234.78	Security Patrol Vehicle Lease
CM26551	4/26/2013	Gempler's, Inc.	\$125.71	Safety Supplies
CM26552	4/26/2013	Grainger Inc.	\$542.61	Maintenance & Repair Supplies
CM26553	4/26/2013	Groeniger & Company	\$1,813.48	Raise Chesbro Syphon Vault
CM26554	4/26/2013	Maddaus Water Management, Inc.	\$11,201.25	Water Use Factors/Data Normalization
CM26555	4/26/2013	McMaster-Carr Supply Co.	\$84.29	Maintenance & Repair Supplies
CM26556	4/26/2013	N.J McCutchen, Inc.,	\$5,215.49	WTP1 Drumscreen Cover
CM26557	4/26/2013	Nationwide Retirement Solution	\$1,663.23	Payroll
CM26558	4/26/2013	Operating Engineers Local Union No. 3	\$520.56	Payroll
CM26559	4/26/2013	P. E. R. S.	\$12,629.57	Payroll

**Rancho Murieta Community Services District
Bills Paid Listing for April 2013**

Ck Number	Date	Vendor	Amount	Purpose
		CFD#1 Bank of America Checking		
CM2680	4/12/2013	CoreLogic Solutions, LLC.	\$165.00	CFD#1 Admin Fees
CM2681	4/12/2013	Kronick Moskovitz Tiedemann & Girard	\$232.96	CFD#1 Legal Fees
		TOTAL	\$397.96	
		EL DORADO PAYROLL		
Payroll (El Dorado)				
Checks: # CM10982 to CM10994 and Direct Deposits: DD06343 to DD6402			\$ 105,506.95	Payroll
ACH	4/30/2013	National Payment Corp	\$145.88	Payroll
		TOTAL	\$105,652.83	

MEMORANDUM

Date: May 10, 2013
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: General Manager's Report

The following are highlights since our last Board Meeting.

Employee Relations

Staff has not heard back following our meeting with representatives from OE3 on a meet and confer basis regarding changes in job duties and responsibilities for two (2) positions in the administrative office.

This past week, representatives from Guardian, Aflac, and Legal Shield met with staff to share information on additional benefits available to employees at discounted rates on a self-funded basis through our relationship with Guardian, our non-medical benefits provider.

Finance/IT

Staff presented our final proposed budget to the Finance Committee, which shows a .4% increase from operations and a 4.2% from debt prefunding of the water plant and Van Vleck spray field. Likewise, staff presented our Capital Improvements Project Plan at the May Improvements Committee meeting.

Darlene and Debby met with our IT Network consultant to discuss the ins and outs of moving forward with an internal email server.

Security

As reported last month and continuing again this month, Greg's patrol ranks are still one (1) Patrol Officer short. Surgery is scheduled six (6) weeks out for the Patrol Officer injured on duty, followed by a 6-8 week period of physical therapy before he can be evaluated for his return to work. In the mean time, Greg and his staff have been covering shifts due the absence.

Greg continues to make progress on his surveillance camera plan, including his recent efforts to have prospective surveillance camera companies come out for a site visit prior to their submittal of a proposed camera and surveillance plan.

Water

Continuing the trend from last month, water production was up over the previous month. Once again, this month our production increased by 50% from 1.5 mgd to 2.25 mgd, primarily due to warmer spring weather and the recent hot spell for nearly a week.

Paul reports the batter boards are in and we continue diversion to the reservoirs. We are hopeful to be able to continue diversions until our end date, May 31, but the river continues to drop due to the weather and low snowmelt late in the season. If we continue to divert to the end, it will likely be with only one pump in operation. For example, flows have dropped from 330 cfs on April 15 to 120 cfs on May 6, only 50 cfs above the minimum allowable flows to divert.

Wastewater

Similar to last month, our flows to the wastewater plant are still hovering at 0.400 mgd (actually 0.411 mgd). However, secondary storage decreased from roughly 325 AF to nearly 106 AF in early May.

Rancho Murieta Country Club (RMCC) began to take recycled water early this year in part due to the early 90-degree weather and the lack of river diversions to Bass Lake. We have counseled them on reducing recycled water use now, so there is enough later when river diversions essentially dry up.

Drainage

Staff continued to clear weeds from our detention basins and ditches in both RM North and South.

The sprinkler and aeration in Basin 5 are in operation, with no complaints so far.

Solid Waste

Nothing new to report on operations.

Engineering

FSA negotiations

Les Hock is rounding up signatories to the draft Financing and Services Agreement (FSA). It was pulled from the May Improvements Committee meeting agenda and will be discussed in June instead.

Augmentation Well

Dunn is sending new access agreements to Carol Anderson Ward for approval to allow test hole drilling to proceed.

Recycled Water Feasibility Study

No comments were received. Kevin Kennedy, AECOM, will be finalizing the draft for public release for comments at our June Board meeting.

Recycled Water Standards

Kevin Kennedy, AECOM, is continuing his work on preparing recycled water transmission and irrigation standards to serve commercial and residential projects.

Water Usage Factors

Staff is researching commercial water usage factors from other local water districts to help validate and provide a basis for review of our commercial usage.

PTF FSA negotiations

PTF's request for Board participation is on the May Board Meeting agenda for discussion and direction. No action is pending until then.

MEMORANDUM

Date: May 8, 2013
 To: Board of Directors
 From: Darlene Gillum, Director of Administration
 Subject: Administration/Financial Reports

Enclosed is a combined financial summary report for **April 2013**. 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		2512	2512	2512	2512	2513	2513	2513	2513	2513	2513		
		Weighted average	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cubic Feet	1713		2991	3140	3063	2232	976	668	751	759	1063	1484		
Gallons per day	427		746	783	764	556	243	167	187	189	265	370		
Planning Usage GPD	583													

Lock-Offs

For the month of April there were 22 lock-offs.

Aging Report – Delinquent accounts total \$83,570 which is 16.3% of the total accounts receivable balance of \$511,363. Past due receivables, as a percent of total receivables, have decreased approximately 1.0% since March.

Summary of Reserve Accounts as of April 30, 2013 – The District’s reserve accounts have increased \$465,281 year to date since July 1, 2012. The increase is due to the reserve amounts collected in the Water and Sewer base rates and interest earned. The District has expended \$304,377 of reserves since the beginning of the fiscal year, which started July 1, 2012. The total amount of reserves held by the District as of April 30, 2013 is \$8,742,652. Please see the Reserve Fund Balances table below for information by specific reserve account.

Reserve Fund Balances

<i>Reserve Descriptions</i>	<i>Fiscal Yr Beg Balance July 1, 2012</i>	<i>YTD Collected & Interest Earned</i>	<i>YTD Spent</i>	<i>Period End Balance Apr 30, 2013</i>
Water Capital Replacement (200-2505)	2,534,416	173,541	(19,646)	2,688,311
Sewer Capital Replacement (250-2505)	2,710,606	231,138	(106,093)	2,835,651
Drainage Capital Replacement (260-2505)	50,015	93	(23,289)	26,819
Security Capital Replacement (500-2505)	51,164	120	(0)	51,284
Sewer Capital Improvement Connection (250-2500)	3,996	10	(0)	4,006
Capital Improvement (xxx-2510)	437,939	2,158	(47,731)	392,366
Water Supply Augmentation (200-2511)	2,548,492	10,492	(107,618)	2,451,366
Water Debt Service Reserves (200-2512)	80,192	47,333	(0)	127,525
Sewer Debt Service Reserves (250-2512)	162,628	390	(0)	163,018
Rate Stabilization (200/250/500-2515)	2,300	6	(0)	2,306
<i>Total Reserves</i>	<i>8,581,748</i>	<i>465,281</i>	<i>(304,377)</i>	<i>8,742,652</i>

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 February 28, 2013		
1-Month	3-Months	1-Year
.66%	4.89%	8.89%

Financial Summary Report (year to date through April 30, 2013):

Revenues:

Water Charges, year-to-date, are **above budget \$54,747 or 3.9%**

Sewer Charges, year-to-date, are **above budget \$173 or 0.0%**

Drainage Charges, year-to-date, are **below budget \$434 or (0.3%)**

Security Charges, year-to-date, are **below budget \$345 or 0%**

Solid Waste Charges, year-to-date, are **above budget \$715 or 0.1%**

Total Revenues, which include other income, property taxes and interest income year-to-date, are **above budget \$105,929 or 2.3%**. Revenue areas that exceeded budget are primarily Water Charges, Title Transfer Fees, Reconnect Charges and Late Charges. Total Revenue also includes \$12,868 for 2011/2012 Mandated Cost Reimbursements (SB90). Year to date residential Water usage has exceeded budget projections by 7.7% and year to date commercial Water usage has exceeded budget projections by 6.3%.

Expenses: Year-to-date total operating expenses are below budget \$216,321 or 4.9%. Year-to-date operational reserve expenditures total \$112,189. 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 \$98,385 or (8.2%), prior to reserve expenditures.** Areas running over budget are Equipment Rental, Hazardous Waste Removal, Tools and Vehicle Maintenance. Wages are over budget due to the combination of retroactive adjustments and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are under budget due to the combination of Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. Chemicals, Taste & Odor Chemicals, Maintenance & Repairs, Vehicle Fuel, Meters, Lab Tests, Permits, Legal, Conservation and Training/Safety are running below budget. Due to a SMUD billing problem there are no charges in April for Power. Year-to-date, \$59,269 of expenses have been incurred from reserves expenditures.

Sewer Expenses, year-to-date, are **below budget by \$22,332 or (2.8%), prior to reserve expenditures.** Areas running over budget are Maintenance & Repair, Permits, Equipment Rental, Consulting and Hazardous Waste Removal. Wages are over budget due to the combination of retroactive adjustments and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are under budget due to the combination of Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. Areas running below budget are Chemicals. Lab Tests, and Other Direct Costs (which includes: Legal, Vehicle Maintenance, Fuel, Tools and IT Systems Maintenance). Due to a SMUD billing problem there are no charges in April for Power. Year-to-date, \$29,631 of expenses have been incurred from reserves expenditures.

Drainage Expenses, year-to-date, are **below budget by \$27,818 or (25.3%).** Wages are under budget due to the combination of retroactive adjustments and the actual allocation variance between Water, Sewer and Drainage. Employer Costs are under budget due to the combination of Medical Opt Out contingency under-run and the variance between the actual allocation of labor charges between Water, Sewer and Drainage and the projected budget allocations. All other areas, except Permits, are running below budget. Due to a SMUD billing problem there are no charges in April for Power.

Security Expenses, year-to-date, are **below budget by \$40,799 or (4.6%).** Areas running over budget are Vehicle Maintenance, Office Supplies, IT Systems Maintenance (related to installation of the new Security Server), Legal, and Miscellaneous Expense (related to a District Claim)). Wages are running under budget due to employees that have been out for extended periods due to medical issues and/or Workers' Comp injury. Employer Costs are running under budget due to actual elected medical benefits running below budgeted medical benefits. Insurance is running below budget because that coverage is now included in the District's general liability policy. Due to a SMUD billing problem there are no charges in April for Power.

Solid Waste Expenses, year-to-date, are **over budget by \$12,218 or 2.5%**. This over-run is related to the Household Hazardous Waste Event.

General Expenses, year-to-date, are **below budget by \$39,205 or (4.1%)**. The largest area running over budget is Janitorial/Landscape Maintenance, which is related to maintenance and repair of the lawn irrigation system and landscape for the Admin building. Clerical Services, Travel/Meetings, Office Supplies (related to District information brochures) and Copy Machine Maintenance are also running over budget. Employer Cost, Insurance, Legal, Director Meetings, Vehicle Fuel, IT Systems Maintenance and Community Communication are the largest areas running below budget.

Net Income: Year-to-date unadjusted net income, before depreciation, is \$491,228. Net income/(Loss) adjusted for estimated depreciation expense of \$931,054 is (\$439,826).

The YTD expected net operating income before depreciation, per the 2012-2013 budget, is \$168,978. The actual net operating income is \$322,250 higher than the budget expectation due to revenue running \$105,929 over budget and total operating expenses running under budget \$216,321.

Rancho Murieta Community Services District
Summary Budget Performance Report
YTD THROUGH APRIL 2013

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE	
							Amount	%
REVENUES								
Water Charges	31.4%	\$1,733,950	31.0%	\$1,419,117	\$1,473,864	31.5%	\$54,747	3.9%
Sewer Charges	22.5%	1,243,734	22.7%	1,036,510	1,036,683	22.2%	173	0.0%
Drainage Charges	3.2%	176,908	3.2%	147,430	146,996	3.1%	(434)	(0.3%)
Security Charges	21.2%	1,167,898	21.3%	973,250	972,905	20.8%	(345)	0.0%
Solid Waste Charges	11.1%	610,981	11.1%	509,150	509,865	10.9%	715	0.1%
Other Income	1.5%	84,375	1.5%	68,810	107,068	2.3%	38,258	55.6%
Interest Earnings	0.0%	1,700	0.0%	1,301	1,248	0.0%	(53)	(4.1%)
Property Taxes	9.1%	501,840	9.1%	418,200	418,200	8.9%		0.0%
Reimbursements	0.0%		0.0%		12,868	0.3%	12,868	0.0%
Total Revenues	100.0%	5,521,386	100.0%	4,573,768	4,679,697	100.0%	105,929	2.3%
OPERATING EXPENSES								
Water/Sewer/Drainage								
Wages	13.8%	759,406	13.9%	614,301	623,526	14.9%	9,225	1.5%
Employer Costs	6.5%	356,819	6.7%	294,202	287,807	6.9%	(6,395)	(2.2%)
Power	5.9%	323,910	5.7%	249,521	239,689	5.7%	(9,832)	(3.9%)
Chemicals	4.8%	265,010	4.3%	190,735	101,179	2.4%	(89,556)	(47.0%)
Maint & Repair	6.3%	350,570	6.2%	274,745	274,868	6.6%	123	0.0%
Meters/Boxes	1.0%	55,000	1.0%	44,000	30,210	0.7%	(13,790)	(31.3%)
Lab Tests	1.4%	78,250	1.3%	55,250	37,760	0.9%	(17,490)	(31.7%)
Permits	1.1%	62,540	1.1%	50,010	48,905	1.2%	(1,105)	(2.2%)
Training/Safety	0.4%	23,340	0.4%	17,500	19,973	0.5%	2,473	14.1%
Equipment Rental	0.8%	43,000	0.9%	39,850	48,146	1.1%	8,296	20.8%
Other	7.1%	392,160	6.0%	262,920	232,436	5.5%	(30,484)	(11.6%)
Subtotal Water/Sewer/Drainage	49.1%	2,710,005	47.5%	2,093,034	1,944,499	46.4%	(148,535)	(7.1%)
Security								
Wages	11.1%	613,100	11.3%	496,300	481,616	11.5%	(14,684)	(3.0%)
Employer Costs	6.4%	351,300	6.6%	289,950	269,192	6.4%	(20,758)	(7.2%)
Insurance	0.1%	4,500	0.1%	3,750		0.0%	(3,750)	(100.0%)
Off Duty Sheriff Patrol	0.1%	6,000	0.1%	5,000	4,163	0.1%	(837)	(16.7%)
Other	1.9%	102,930	1.9%	84,760	83,990	2.0%	(770)	(0.9%)
Subtotal Security	19.5%	1,077,830	20.0%	879,760	838,961	20.0%	(40,799)	(4.6%)
Solid Waste								
CWRS Contract	9.7%	533,520	10.1%	444,600	446,029	10.6%	1,429	0.3%
Sacramento County Admin Fee	0.6%	33,960	0.6%	28,300	27,521	0.7%	(779)	(2.8%)
HHW Event	0.2%	12,000	0.3%	12,000	23,568	0.6%	11,568	96.4%
Subtotal Solid Waste	10.5%	579,480	11.0%	484,900	497,118	11.9%	12,218	2.5%
General / Admin								
Wages	9.1%	502,500	9.3%	407,700	412,215	9.8%	4,515	1.1%
Employer Costs	5.0%	275,200	5.1%	226,550	222,711	5.3%	(3,839)	(1.7%)
Insurance	1.0%	54,060	1.0%	45,050	37,428	0.9%	(7,622)	(16.9%)
Legal	0.5%	25,000	0.5%	20,000	16,847	0.4%	(3,153)	(15.8%)
Office Supplies	0.3%	19,200	0.4%	16,000	18,268	0.4%	2,268	14.2%
Director Meetings	0.3%	18,000	0.3%	15,000	11,300	0.3%	(3,700)	(24.7%)
Telephones	0.1%	4,320	0.1%	3,600	4,031	0.1%	431	12.0%
Information Systems	1.7%	95,400	1.9%	83,265	40,650	1.0%	(42,615)	(51.2%)
Community Communications	0.1%	5,900	0.1%	4,500	1,265	0.0%	(3,235)	(71.9%)
Postage	0.4%	21,780	0.4%	18,150	16,990	0.4%	(1,160)	(6.4%)
Janitorial/Landscape Maint	0.3%	16,800	0.3%	14,000	29,082	0.7%	15,082	107.7%
Other	2.1%	116,790	2.1%	93,281	97,104	2.3%	3,823	4.1%
Subtotal General / Admin	20.9%	1,154,950	21.5%	947,096	907,891	21.7%	(39,205)	(4.1%)
Total Operating Expenses	100.0%	5,522,265	100.0%	4,404,790	4,188,469	100.0%	(216,321)	(4.9%)
Operating Income (Loss)	100.0%	(879)	100.0%	168,978	491,228	100.0%	322,250	190.7%
Non-Operating Expenses								
Water Reserve Expenditure	0.0%		0.0%		59,269	52.8%	59,269	0.0%
Sewer Reserve Expenditure	0.0%		0.0%		29,631	26.4%	29,631	0.0%
Drainage Reserve Expenditure	0.0%		0.0%		23,289	20.8%	23,289	0.0%
Total Non-Operating Expenses	0.0%		0.0%		112,189	100.0%	112,189	0.0%
Net Income (Loss)	100.0%	(879)	100.0%	168,978	379,039	100.0%	210,061	124.3%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH APRIL 2013

	% of Total	Annual Budget	% of Total	YTD Budget	YTD Actuals	% of Total	YTD VARIANCE Amount %	
WATER								
REVENUES								
Water Charges	98.7%	\$1,733,950	98.7%	\$1,419,117	\$1,473,864	98.0%	\$54,747	3.9%
Interest Earnings	0.0%		0.0%		113	0.0%	113	0.0%
Other Income	1.3%	22,055	1.3%	18,380	29,423	2.0%	11,043	60.1%
Total Water Revenues	100.0%	1,756,005	100.0%	1,437,497	1,503,400	100.0%	65,903	4.6%
EXPENSES (excluding depreciation)								
Wages	27.3%	410,082	28.1%	331,723	342,957	31.7%	11,234	3.4%
Employer Costs	12.8%	192,679	13.5%	158,870	157,653	14.6%	(1,217)	(0.8%)
Power	10.9%	164,450	10.7%	125,711	118,608	11.0%	(7,103)	(5.7%)
Chemicals	8.7%	130,300	8.5%	100,355	72,039	6.7%	(28,316)	(28.2%)
T&O - Chemicals/Treatment	4.1%	61,000	3.3%	39,350	15,114	1.4%	(24,236)	(61.6%)
Maint & Repair	11.0%	166,070	11.5%	135,245	131,753	12.2%	(3,492)	(2.6%)
Meters/Boxes	3.7%	55,000	3.7%	44,000	30,210	2.8%	(13,790)	(31.3%)
Lab Tests	2.7%	40,000	2.1%	25,000	9,791	0.9%	(15,209)	(60.8%)
Permits	2.1%	32,000	2.1%	25,000	16,295	1.5%	(8,705)	(34.8%)
Training/Safety	0.6%	9,140	0.7%	7,840	8,412	0.8%	572	7.3%
Equipment Rental	1.4%	21,500	1.7%	20,000	23,358	2.2%	3,358	16.8%
Other Direct Costs	14.8%	222,550	14.1%	166,290	154,809	14.3%	(11,481)	(6.9%)
Operational Expenses	100.0%	1,504,771	100.0%	1,179,384	1,080,999	100.0%	(98,385)	(8.3%)
Water Income (Loss)	16.7%	251,234	21.9%	258,113	422,401	39.1%	164,288	63.6%
38.9% Net Admin Alloc	16.7%	250,948	17.3%	203,737	181,193	16.8%	(22,544)	(11.1%)
Reserve Expenditures	0.0%		0.0%		59,269	5.5%	59,269	0.0%
Total Net Income (Loss)	0.0%	286	4.6%	54,376	181,939	16.8%	127,563	234.6%
SEWER								
REVENUES								
Sewer Charges	98.8%	1,243,734	98.8%	1,036,510	1,036,683	98.4%	173	0.0%
Interest Earnings	0.0%	180	0.0%	150	84	0.0%	(66)	(44.0%)
Other Income	1.2%	14,550	1.2%	12,120	17,164	1.6%	5,044	41.6%
Total Sewer Revenues	100.0%	1,258,464	100.0%	1,048,780	1,053,931	100.0%	5,151	0.5%
EXPENSES (excluding depreciation)								
Wages	27.7%	296,166	29.8%	239,577	240,252	30.7%	675	0.3%
Employer Costs	13.0%	139,160	14.3%	114,738	111,235	14.2%	(3,503)	(3.1%)
Power	13.5%	143,960	13.9%	112,060	110,543	14.1%	(1,517)	(1.4%)
Chemicals	7.4%	79,310	6.5%	52,530	22,407	2.9%	(30,123)	(57.3%)
Maint & Repair	16.2%	172,500	16.1%	129,500	140,377	18.0%	10,877	8.4%
Lab Tests	3.6%	38,250	3.8%	30,250	27,969	3.6%	(2,281)	(7.5%)
Permits	2.5%	26,540	3.1%	25,010	27,758	3.6%	2,748	11.0%
Training/Safety	1.3%	14,200	1.2%	9,660	11,561	1.5%	1,901	19.7%
Equipment Rental	1.5%	16,000	1.8%	14,350	22,580	2.9%	8,230	57.4%
Other Direct Costs	13.3%	141,510	9.5%	76,130	66,791	8.5%	(9,339)	(12.3%)
Operational Expenses	100.0%	1,067,596	100.0%	803,805	781,473	100.0%	(22,332)	(2.8%)
Sewer Income (Loss)	17.9%	190,868	30.5%	244,975	272,458	34.9%	27,483	11.2%
29.7% Net Admin Alloc	17.9%	191,598	19.4%	155,553	138,341	17.7%	(17,212)	(11.1%)
Reserve Expenditures	0.0%		0.0%		29,631	3.8%	29,631	0.0%
Total Net Income (Loss)	-0.1%	(730)	11.1%	89,422	104,486	13.4%	15,064	16.8%
DRAINAGE								
REVENUES								
Drainage Charges	99.8%	176,908	99.9%	147,430	146,996	99.9%	(434)	(0.3%)
Interest Earnings	0.2%	280	0.1%	216	76	0.1%	(140)	(64.8%)
Total Drainage Revenues	100.0%	177,188	100.0%	147,646	147,072	100.0%	(574)	(0.4%)
EXPENSES (excluding depreciation)								
Wages	38.6%	53,158	39.1%	43,001	40,317	49.2%	(2,684)	(6.2%)
Employer Costs	18.1%	24,980	18.7%	20,594	18,919	23.1%	(1,675)	(8.1%)
Power	11.3%	15,500	10.7%	11,750	10,538	12.8%	(1,212)	(10.3%)
Chemicals	3.9%	5,400	4.1%	4,500	429	0.5%	(4,071)	(90.5%)
Maint & Repair	8.7%	12,000	9.1%	10,000	2,738	3.3%	(7,262)	(72.6%)
Permits	2.9%	4,000	0.0%		4,852	5.9%	4,852	0.0%
Equipment Rental	4.0%	5,500	5.0%	5,500	2,208	2.7%	(3,292)	(59.9%)
Other Direct Costs	12.4%	17,100	13.2%	14,500	2,026	2.5%	(12,474)	(86.0%)
Operational Expenses	100.0%	137,638	100.0%	109,845	82,027	100.0%	(27,818)	(25.3%)
Drainage Income (Loss)	28.7%	39,550	34.4%	37,801	65,045	79.3%	27,244	72.1%
6.1% Net Admin Alloc	28.6%	39,352	29.1%	31,949	28,413	34.6%	(3,536)	(11.1%)
Reserve Expenditures	0.0%		0.0%		23,289	28.4%	23,289	0.0%
Total Net Income (Loss)	0.1%	198	5.3%	5,852	13,343	16.3%	7,491	128.0%
SECURITY								
REVENUES								
Security Charges	96.6%	1,167,898	96.6%	973,250	972,905	95.1%	(345)	0.0%
Interest Earnings	0.1%	640	0.0%	485	609	0.1%	124	25.6%

Rancho Murieta Community Services District
Budget Performance Report by FUND
YTD THROUGH APRIL 2013

	<u>% of</u>	<u>Annual</u>	<u>% of</u>	<u>YTD</u>	<u>YTD</u>	<u>% of</u>	<u>YTD VARIANCE</u>	
	<u>Total</u>	<u>Budget</u>	<u>Total</u>	<u>Budget</u>	<u>Actuals</u>	<u>Total</u>	<u>Amount</u>	<u>%</u>
Other Income	3.3%	\$39,970	3.3%	\$33,310	\$49,545	4.8%	\$16,235	48.7%
Total Security Revenues	100.0%	1,208,508	100.0%	1,007,045	1,023,059	100.0%	16,014	1.6%
EXPENSES (excluding depreciation)								
Wages	56.9%	613,100	56.4%	496,300	481,616	57.4%	(14,684)	(3.0%)
Employer Costs	32.6%	351,300	33.0%	289,950	269,192	32.1%	(20,758)	(7.2%)
Insurance	0.4%	4,500	0.4%	3,750		0.0%	(3,750)	(100.0%)
Equipment Repairs	0.4%	4,400	0.4%	3,670	2,464	0.3%	(1,206)	(32.9%)
Vehicle Maintenance	0.6%	6,700	0.6%	5,575	7,651	0.9%	2,076	37.2%
Vehicle Fuel	1.9%	20,460	2.0%	17,550	15,037	1.8%	(2,513)	(14.3%)
Off Duty Sheriff Patrol	0.6%	6,000	0.6%	5,000	4,163	0.5%	(837)	(16.7%)
Other	6.6%	71,370	6.6%	57,965	58,838	7.0%	873	1.5%
Operational Expenses	100.0%	1,077,830	100.0%	879,760	838,961	100.0%	(40,799)	(4.6%)
Security Income (Loss)	12.1%	130,678	14.5%	127,285	184,098	21.9%	56,813	44.6%
20.3% Net Admin Alloc	12.2%	130,957	12.1%	106,321	94,556	11.3%	(11,765)	(11.1%)
Total Net Income (Loss)	0.0%	(279)	2.4%	20,964	89,542	10.7%	68,578	327.1%
SOLID WASTE REVENUES								
Solid Waste Charges	99.9%	610,981	99.9%	509,150	509,865	99.9%	715	0.1%
Interest Earnings	0.1%	600	0.1%	450	366	0.1%	(84)	(18.7%)
Total Solid Waste Revenues	100.0%	611,581	100.0%	509,600	510,231	100.0%	631	0.1%
EXPENSES (excluding depreciation)								
CWRS Contract	92.1%	533,520	91.7%	444,600	446,029	89.7%	1,429	0.3%
Sacramento County Admin Fee	5.9%	33,960	5.8%	28,300	27,521	5.5%	(779)	(2.8%)
HHW Event	2.1%	12,000	2.5%	12,000	23,568	4.7%	11,568	96.4%
Operational Expenses	100.0%	579,480	100.0%	484,900	497,118	100.0%	12,218	2.5%
Solid Waste Income (Loss)	5.5%	32,101	5.1%	24,700	13,113	2.6%	(11,587)	(46.9%)
5.0% Net Admin Alloc	5.6%	32,256	5.4%	26,187	23,290	4.7%	(2,897)	(11.1%)
Total Net Income (Loss)	0.0%	(155)	-0.3%	(1,487)	(10,177)	-2.0%	(8,690)	584.4%
OVERALL NET INCOME(LOSS)	100.0%	(680)	100.0%	169,127	379,133	100.0%	210,006	124.2%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

INVESTMENT REPORT

CASH BALANCE AS OF APRIL 30, 2013

INSTITUTION	YIELD	BALANCE
CSD FUNDS		
EL DORADO SAVINGS BANK		
SAVINGS	0.03%	\$ 277,478.66
CHECKING	0.02%	\$ 4,567.85
PAYROLL	0.02%	\$ 6,740.12
PREMIER WEST BANK		
EFT	N/A	\$ 73,287.52
LOCAL AGENCY INVESTMENT FUND (LAIF)		
UNRESTRICTED		\$ -
RESTRICTED RESERVES	0.26%	\$ 5,479,156.75
CALIFORNIA ASSET MGMT (CAMP)		
OPERATION ACCOUNT	0.13%	\$ 3,594,242.78
UNION BANK		
PARS GASB45 TRUST (balance as of 2/28/13)		\$ 447,280.47
TOTAL		\$ 9,882,754.15

BOND FUNDS

COMMUNITY FACILITIES DISTRICT NO. 1 (CFD)

BANK OF AMERICA		
CHECKING	N/A	\$ 601,207.06
CALIFORNIA ASSET MGMT (CAMP)		
SPECIAL TAX	0.13%	\$ 8,296.81
US BANK		
SPECIAL TAX REFUND	0.00%	\$ -
BOND RESERVE FUND/ SPECIAL TAX FUND	0.00%	\$ 726,685.00
TOTAL		\$ 1,336,188.87
TOTAL ALL FUNDS		\$ 11,218,943.02

The investments comply with the CSD adopted investment policy.

PREPARED BY: *Darlene Gillum*
 Director of Administration

MEMORANDUM

Date: May 8, 2013
To: Board of Directors
From: Greg Remson, Security Chief
Subject: Security Report for the Month of April 2013

OPERATIONS

Sergeant Bieg, Darlene Gillum and Travis Bohannon from the Water Department attended Rancho Murieta Country Club's "Welcome New Home Owner's" event. They provided handouts and information on the District's services.

Security Patrol Officer Scarzella and Sergeant Bieg stopped by the Kiwanis Kids Fishing Day at Lake Clementia. Lots of kids were having lots of fun.

A mountain lion sighting was reported on April 19, 2013 on the "Boulder Trail" on the north back area downstream from the beach. Informational warning signs were posted and Fish & Wildlife was notified.

One of the South Gate barcode reader that had quit working has been replaced and is working fine.

Security Patrol Officer Tompkins attended the annual Law Enforcement and Agency Open House at Deer Creek Hills on Latrobe Road. Various representatives from local emergency services and support personnel attended. This section of Latrobe Road is just north of the District boundary. We receive reports of gunshots, parties and bonfires. When those complaints are reported we notify the Sacramento Sheriff's Department dispatch for response.

The injured Security Patrol Officer is still out with a return date of 6-8 weeks. The other Patrol Officers and I are covering the shifts.

INCIDENTS OF NOTE

April 3, Wednesday, reported at 11:35 a.m. on Puerto Drive. Residential burglary. Jewelry was taken sometime over the past three (3) months. No sign of forced entry. Sacramento County Sherriff's Department (SSD) report.

April 4, Thursday, reported at 11:33 p.m. in front of El Gallo restaurant. Disturbance. A Security Patrol Officer was waved down regarding intoxicated residents and guests in a verbal confrontation that escalated when a dog got loose from a vehicle. One (1) subject retrieved a golf club and made threats toward the dog and dog owner. The victim did not want to press charges. A sober driver transported the resident and his guests to the resident's home on the north residential area.

April 5, Friday, reported at 1:10 a.m. on Lago Drive. Residential burglary, attempted burglary, vandalism. A male entered an occupied house through an open rear second floor balcony door while the residents were in the same room. Jewelry was taken. The suspect also attempted to enter at least four (4) other houses. One (1) resident confronted the suspect as he attempted to enter the home through an open rear second floor balcony door. Screens were removed and a window was broken at other homes. Multiple SSD units responded. The suspect was located and identified by a victim and arrested. The suspect was intoxicated and was a guest of a resident from the earlier disturbance call at Murieta Plaza.

April 9, Tuesday, reported at 1:03 a.m. on Lago Drive. Attempted theft from a vehicle. A resident saw a male subject inside his vehicle, which was parked in the driveway. The subject fled when the resident went outside. A stereo and DVD player were removed from the vehicles but no property was taken. Security Patrol and SSD checked the area, no one located.

April 9, Tuesday, reported at 3:50 p.m. on Carreta Lane. Theft from a vehicle. Overnight a cell phone and credit card was taken from an unlocked vehicle parked in the driveway. At least three (3) other vehicles on Carreta Lane had been ransacked, but no property taken.

April 12, Friday, reported at 9:33 a.m. on Domingo Drive. Theft of golf clubs. Golf clubs were taken from a cart parked in front of a friend's house. Advised to file a report with SSD.

April 18, Thursday, reported at 9:55 a.m. on Terreno Drive. Theft of hedge trimmer. R/P reported his hedge trimmer was missing from the back patio.

April 20, Saturday, reported at 12:59 p.m. on Puerto Drive. Attempted theft from an unlocked vehicle. Neighbor saw a female enter a vehicle in the driveway. When the neighbor opened their garage door the female hid in the bushes and then fled the area. The area was checked and no one was located. SSD and the homeowner responded and the vehicle and house was checked. Nothing appears to be missing.

During the month of April, District Security Patrol Officers also responded to complaints of loud music and disturbances.

RANCHO MURIETA ASSOCIATION COMPLIANCE/GRIEVANCE/SAFETY COMMITTEE MEETING

The meeting was held on April 8, 2013. There was discussion regarding the use of Segways in the community. Research showed that according to the California Vehicle Code they are considered "Electric Personal Mobility Devices" and can go anywhere a pedestrian can. The Committee feels they should be allowed within the community. Also discussed was a proposed Non-Arch Rule regarding collecting fines. Possible remedies would be suspension of voting privileges, deactivation of barcodes, and small claims court. There was a letter submitted regarding trash containers and one regarding street parking. The next meeting is scheduled for May 6, 2013.

JOINT SECURITY COMMITTEE MEETING

The Joint Security Committee Meeting was held on Friday, April 26, 2013 at the RMA office. Please see the attached draft minutes prepared by Rancho Murieta Association staff. The next meeting is scheduled for 9 a.m. on Friday May 31, 2013 at the Murieta Village Clubhouse.

JAMES L. NOLLER SAFETY CENTER

The Safety Center has been open most Mondays and Wednesdays from 10:00 a.m. to 2:00 p.m. VIPS Jacque Villa and Steve Lentz continue patrolling the District as another set of “eyes and ears”.

The Safety Center is also available to all law enforcement officers for report writing, meal breaks and any other needs that arise.

Anyone who is interested in joining the VIPS program or would like information on the Neighborhood Watch program can contact the VIPS at the Safety Center office at 354-8509.

NEW NORTH GATE

The gate location has been finalized, the agreement signed and funds have been released to RMA. RMA received proposals for architectural design services and is in the process of choosing a firm. .

BEACH ACCESS/PTF GATES

Everything seems to be going well with the new daylight access hours to the beach area. There have been a couple of calls regarding vehicles on the east side of the closed off area. This has been from vehicles accessing the area from the north end of Lake Clementia. If this continues, the access points will need to be blocked off.

SECURITY SURVEILLANCE CAMERAS-UPDATE

I have met with three (3) surveillance camera vendors and provided them with information and issues on the community and areas for possible camera coverage. This information included a tour of the community and facilities. I hope to have proposals back prior to the next Joint Security Committee meeting on May 31, 2013.

**RANCHO MURIETA
JOINT SECURITY COMMITTEE**

Meeting Minutes
April 26, 2013

Present

Martin Pohll, Chair, RMA
Tim Maybee, RMA
Betty Ferraro, CSD
Mike Martel, CSD
Bob Wright, RMCC
Vern Wallace, RMCC
Carol Hyde, Murieta Village
Barbara Vaith, Murieta Village

Staff

Danise Hetland, RMA Staff
Greg Vorster, RMA Staff
April Mattice, RMA Staff
Greg Remson, CSD Staff
Darlene Gillum, CSD Staff
Arnold Billingsley, RMCC Staff

The meeting was called to order by Chair Martin Pohll at 9:02 a.m. in the RMA Building.

Comments from Public

None.

Approval of Minutes

M/S/C to approve the minutes of January 22, 2013.

Vote was unanimous

New North Gate Status Update

Mr. Pohll reported that things are progressing on the new North gate project. The responses to the RFP for architectural services have been received and the Board will be selecting an architectural firm soon.

Security Cameras Update

Chief Remson reported that he met with different groups and businesses in the District to see what types of security systems they were using. None of the entities pay for monitoring of their systems.

Mike Martel showed a map of the District. He would like to plot different crimes, times the crimes occurred, etc. to establish patterns. He feels establishing patterns can aid prevention.

Betty Ferraro said she has received calls from residents who would like to see more cameras around the area in different locations.

Stan Van Vleck, a neighboring property owner, said he would be willing to donate a security system with six months of monitoring to be installed on the PTF land near the river. The systems would alert Security when there are people crossing onto his land. He explained that over the past year there has been significant damage to his property so he has installed security cameras and no trespassing signs along his property line.

Mr. Martel thinks CSD should accept Mr. Van Vleck's offer.

Tim Maybee said it would also have to go before the RMA Board and that the budget would also have to be reviewed. He would however, like to see this move forward before summer starts and the kids are out of school.

Ms. Ferraro asked Mike Hamilton if PTF would be willing to have the cameras on PTF property. Mr. Hamilton agreed.

Mr. Maybee would like to look at different options so security equipment can be added to next year's fiscal budget.

Mr. Maybee will talk to Mark Pecotich from the Murieta Trails group about modifying the existing trail in the area so that it leads away from the Van Vleck property.

Darlene Gillum said it would fit within the CSD budget to install three cameras with six months of monitoring.

Chief Remson said he would be meeting with different vendors to see what ideas they could suggest for the Community.

Greg Vorster noted that resident neighbors who have already installed security cameras and systems could be contacted to see whether they would be willing to share information recorded on their systems.

Mission Statement for the Committee

Ms. Ferraro would like to re-establish a mission statement for the committee. She read one to the Committee that was written in 2008.

Next Meeting

The next meeting is scheduled for Friday, May 31, 2013, at 9:00 a.m. to discuss security cameras.

The meeting was adjourned at 10:05 a.m.

Respectfully submitted,

Martin Pohll, Chair

Date

MEMORANDUM

Date: May 7, 2013
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 Treatment Plant #1 production is set at 1.0 million gallons per day (MGD) and Plant #2 production is at 1.25 MGD for a total of 2.25 MGD, with the facility operating around 21 hours per day. Total potable water production for April 2013 was approximately 41.27 million gallons (MG) (126.7 acre-feet), up from last month's total flow of 32.7 MG. This is 32% higher than the water production in April 2012. A total of 0.38" of rainfall was recorded for the month of April.

Maintenance at the Water Treatment Plant this past month included: annual servicing of Plant #1 and Plant #2's chlorination system and replacement of chlorine leak detectors; cleaning Plant #2 sedimentation basins; cleaning out one of the solids drying beds; and removing a tree next to the chlorine storage room.

Water Source of Supply

Staff installed the stop-logs (batter boards) in the spillways on April 15, 2013. We are continuing to capture an additional two (2) feet of storage water. We have been using the two (2) low capacity pumps 24hrs/day to fill our reservoirs and will continue to do so until May 31, depending on adequate river flow.

On May 1, 2013, the combined raw water storage for Calero, Chesbro, and Clementia Reservoirs measured 1,530 MG (4,695 acre-feet). So far this season, we have diverted approximately 609.7 MG (1,874 acre-feet). For perspective, the District typically produces around 587 MG (1,800 acre-feet) through the water treatment plants each year and pumps 700 MG (2,150 acre-feet) to storage. The last day we can pump from the River for this diversion season is May 31.

I filed a Notice of Intent (NOI, including a vicinity map, Aquatic Pesticide Application Plan and check for the fee), to comply with Water Quality Order No. 2004-0009-DWQ, Statewide General National Pollutant Discharge Elimination System Permit for the Discharge of Aquatic Pesticides for Aquatic Weed Control in Waters of the United States, General Permit No. CAG 990005. This allows us to use aquatic herbicides, despite being labeled pesticides, in our waters within Rancho Murieta to control the algae that form the taste and odor compounds in our water supply.

Staff worked with local contractor Carrillo Enterprises to backfill soil around the newly raised siphon vault at Chesbro, as shown in the photos below.



Before and after the backfilling soil around Chesbro siphon vault

Wastewater

Influent wastewater flow averaged 0.411 million gallons a day for a total of 12,709,232 gallons, (37.9 acre-feet) for the month of April. A total of 106.524 MG (326.9 acre-feet) of secondary wastewater was measured in the secondary storage reservoirs on May 3, 2013, compared to 121.5 MG at this time last year 2012 and 123 MG in 2013. Due to this being the lowest beginning of wastewater storage supply in recent years, RMCC will make up the shortfall by pumping water from the river. RMCC can pump to their South course; however, the river pump line from the river to Bass Lake has holes in it and will not pump to it. Per RMCC's request, we began supplying them reclaimed water on April 16, 2013 mostly to Bass Lake for their North course supply.

Staff painted equipment around the wastewater facility as part of regular preventative maintenance prior to starting the facility up for the reclamation season.



Drainage / CIA Ditch

Staff is continuing to cut vegetation along the drainage system as the warm weather is promoting weed growth. So far, they have cut all of the drainage basins in the South and most of the ditches in the North.

I filed a Notice of Intent (NOI, including a map showing the affected area, a Pesticide Application Plan (PAP), a check for the fee, a copy of my CA-DPR certification and our Pesticide Application Plan) to comply with the Statewide National Pollutant Discharge Elimination System (NPDES) Permit For

Biological and Residual Pesticide Discharges To Waters Of The United States From Vector Control Applications, Water Quality Order No. 2012-0003-DWQ, General Permit No. CAG 990004. This allows me, or trained staff, to treat Laguna Joaquin for midge flies.

The CIA ditch continues to flow for the irrigation of ranch crops. Operations staff is working on installing a new metering device on the ditch for water that is being diverted prior to the existing meter at the Equestrian Center.

Water Metering and Utility Staff Work

Water meter maintenance completed in April included replacement of twenty-one (21) water meters, four (4) meter registers, and no MXUs. Utility staff was called out five (5) times for water leaks, three (3) were District service lines which were repaired and the other two (2) were irrigation leaks on the homeowner's side. Utility staff replaced three (3) dry barrel hydrants that were around forty (40) years old and leaking with new Clow 960 wet barrel hydrants. As part of the air release valve (ARV) inspections and replacement, one (1) ARV was replaced in April, others were indentified that where either hard to open or close or not able to be located in units 1 and 2. Utility staff also completed sixteen (16) Utility Stars service orders, eight (8) water service lock-offs, three (3) inspection for rebates, and marked District utilities for eight (8) underground service alert (USAs) requests.

Other Projects

Water Plant Phase 3

I visited membrane facilities to get feedback from other their staff about their experiences with different membrane technologies. So far, the best feedback I received was from the PALL pressure membranes operated by the Amador County Water Agency who have not had any membrane failures or major issues with their system.

We are looking over the 2005 drawings and specifications that HDR put together for the District and have a lot of comments to provide them. Major comments of note are that the sedimentation basins need a chemical resistant coating to accommodate the acid and caustic washes that the submerged membranes will need, should we proceed with a submerged membrane system, and the chlorine scrubbing system should be left out due to regulatory issues involving them.

Main Lift North Rehabilitation Project

HDR is completing the draft specifications based on the inspection reports by Schiff and should have them available for review within the next few weeks.

Maintenance Truck

I informed Rancho Murieta Association (RMA) and RMCC that we are going to surplus our District maintenance truck, a 2003 Ford F-550 diesel that no longer meets California Air Quality Standards for public agencies, in late June/early July, once we have received our replacement one. RMA expressed some interest.

April 20, 2013

Rancho Murieta Community Services District
P.O. Box 1050
Rancho Murieta, CA 95683

Re: Protest to the Proposed Rate Increase

This letter is to:

1. Protest the Proposed Rate Increase
2. Encourage a vote against the pre-payment for plant enhancements for future development by CSD for a hotel or other development.

Rate Increases

I encourage the Board to vote no on the proposed 5.15% rate increase.

I would like to thank the District staff for providing very timely, detailed, and informative responses to my questions. If there was an ability to have a partial vote, I would consider a partial 3.45% increase for debt service pre-funding for the upcoming capital projects. I do not want to see our local services suffer the types of reductions faced by most of government; however, it appears that the Rancho Murieta Community Services District is growing in rate increases and budgets at a rate extraordinarily in contrast with all other government entities in the area.

More time needs to be spent reviewing expenditures and exploring cost saving alternatives. The ability to reduce two staff, preferably through attrition, would make up for the budget gap. Focus should be made on where services can be contracted out to avoid the ongoing pension costs, and where more automation can be implemented. As an example, could a security camera system and remote operation system be installed so that one of the gates could be remotely operated from a primary gate during late night hours so that two gates do not have to be staffed? Can any services for the treatment plants be shared with other area service districts or contracted with equipment providers?

You do not need to be hiring a consultant to do a 360 performance review on staff. Your 360 view will probably find that your staff are working very hard on what they are assigned. The question is if they are working on functions that are really necessary and if there are alternative ways of getting the needed functions done. A 360 view does not replace a budget scrub. You

need to be doing line item budget reviews and looking for creative alternative ways of doing business on each line item.

Attachment A identifies a quick comparison of the Rancho Murieta Community Services District and other government entities in the area and is the basis of my concerns. Generally speaking, entities that have a significant portion of their budget based upon property tax or sales taxes have been financially crippled, and those that operate on fee for service (like Rancho Murieta Community Services District) have done better. That said, it appears that the Rancho Murieta Community Services District is far outside the norm of all surveyed governmental entities in the area.

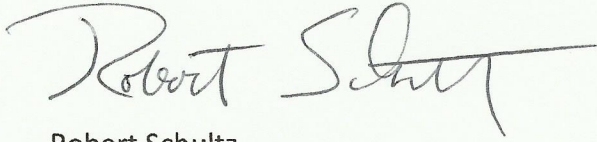
Plant Treatment Expansion

Please vote "No" on using District funding to expand capacities for future development of a hotel. Please require developers to pre-pay for any of those types of investments. Two key points in this area:

1. The Rancho Murieta Community Services District is not an investment firm. If the development is worthwhile, companies that professionally underwrite projects will give the developers a loan. If organizations that professionally lend money consider the effort too great of a risk to make a loan, then it is probably too risky of an endeavor for CSD to front the money on. If it is a good idea, then the developers can get a loan.
2. We had a hotel in Rancho Murieta, and it failed. It eventually was converted into the Villas. When making an investment where a predecessor has failed, you have to stop and look carefully as to why they failed, and what has significantly changed to make things different now. Hotels operate with fairly high fixed costs. Hotels typically make their money on a regular flow of business or recreation customers to fill rooms on a regular ongoing basis. Events at the equestrian center will not create a regular and consistent flow. Restaurants and hotels generally have a difficult time making it out here. It is not hard to figure out why. Stand on top of a hill and look around. Other than a small pocket of houses, most of the prospective customers are deer and cows in the surrounding geographic area a business would normally draw from. A hotel is a very high risk venture that the Rancho Murieta Community Services District should avoid. If it fails, the rate payers will be stuck with the bill. Stay in the municipal services business. Stay out of the wildcat investment business.

Thank you for your review on these two issues.

Sincerely,

A handwritten signature in black ink that reads "Robert Schultz". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Robert Schultz

6320 Rio Oso Drive

Rancho Murieta, CA 95683

(916) 354-2537

Rob.kerri@sbcglobal.net

Attachment A

	Changes	
	Last 5 Years	Last 10 Years
Rancho Murieta CSD		
Sewer	19.7%	89.0%
Security	8.9%	44.6%
Drainage	10.4%	32.5%
Solid Waste	14.0%	
Base Water	36.3%	143.0%
Water Usage	43.0%	96.0%
Average (from above #s) CSD Rate Increase	22.0%	81.0%
Rancho Murieta CSD Budget Increase	26.6%	137.8%
Average CSD Staff Increase	-1.4%	4.4%
Other Area Governments		
California State Budget	-29.06%	2.90%
Sacramento County Budget	-32.60%	
City of Folsom Budget	-22.00%	
El Dorado Hills Community Services District Budget	-35.50%	
Cameron Park Community Services District Budget	-5.79%	
Cosumnes Community Services District Budget	-16.35%	
Citrus Heights Water District Budget	10.44%	
Fair Oaks Water District Budget	6.11%	
Sacramento Area Sewer District Budget	5.71%	
Average of above budgets	-13.23%	
CSD Customers		
California Consumer Price Index on Earned Wages	5.90%	27.80%
California Per Capita Personal Income	-3.80%	5.85%

(916) 552-5959

LAW OFFICES OF
JONES & DYER
A PROFESSIONAL CORPORATION
1800 J STREET
SACRAMENTO, CA 95811

(916) 442-5959 (FAX)

April 23, 2013

RECEIVED

APR 25 2013

Rancho Murieta
Community Services District

Gerald Pasek, President, Board of Directors
Ed Crouse, Manager
Rancho Murieta Community Services District
P.O. Box 1050
Rancho Murieta, CA 95683

Jonathan P. Hobbs
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814

RE: Rancho Murieta Community Services District

Dear Mr. Pasek, Mr. Crouse and Mr. Hobbs:

As you know, our firm represents Cosumnes River Land which owns the commercially zoned property known as the Gardens adjacent the Jackson Highway. For many months, Cosumnes River Land (CRL) has worked with the District in attempt to develop this property. Although the ultimate goal is to develop all of the property, CRL has an interim goal of building a hotel and extended stay facility. After discussions with all of you, CRL respectfully requests that the Rancho Murieta Community Services District Board take the following board action at its May 2013 meeting:

1. In order to allow the development of a hotel and extended stay facility, CRL requests that the Rancho Murieta Community Services District Board make a determination that sufficient water capacity is currently available to serve the hotel (parcel A) and extended stay units (parcel 7) of Murieta Gardens I & II.
2. Pursuant to the direction that CRL was given prior to the April improvements committee meeting, in exchange for will-serve letters for the proposed 83 room hotel and 24 extended stay units, CRL would provide up to \$175,000 to pay HDR Engineering to redesign the retrofit, expansion and upgrade of Water Treatment Plant No. 1 to 3.2 million gallons per day of capacity which brings the total District capacity to 5.2 million gallons per day.

CRL requests that the Board approve such an agreement and direct staff to issue modified conditions of approval to the Sacramento County Planning Department with will-serve letters of the hotel and extended stay portions of Gardens I.

In addition to the requested Board action, CRL requests a meeting to resolve payment of all other RMCS D fees. CRL requests that two Board members be present at this meeting along with Mr. Crouse and Mr. Hobbs.

Gerald Pasek
Ed Crouse
Jonathan Hobbs
RE: Rancho Murieta Community Services District
April 23, 2013
Page

We are using the commercial EDU standard of 750 gallons per day. Under this scenario, CRL has calculated that the hotel and extended stay project will require 19 EDUs. We have provided information from a comparable 86 room hotel in Lincoln, California for your review.

If you have any questions or comments, please do not hesitate to contact me or John Sullivan with Cosumnes River Land.

Very truly yours,



GREGORY F. DYER
gdyer@jonesdyer.com

GFD/djg
Enclosure

Hotel/Extended Stay Calculations

Hotel

83 rooms \times 72.7gpd/room \uparrow = 6035gpd – *Total Hotel*
6035gpd/750gpd (1 EDU)

= 8.0 EDU

Swimming Pool (Hotel)

= 1.0 EDU

Restaurant/Bar 2250 gpd

= 3.0 EDU

Extended Stay

24 condos \times 169gpd/condo₂ = 4056gpd – *Total Extended Stay*
4056gpd/750gpd (1 EDU)

= 5.4 or 6.0 EDU

Swimming Pool (Extended Stay)

= 1.0 EDU

TOTAL = 19.0 ED

2004 USAGE AT 82% OCCUPANCY Holiday Inn Express Lincoln.

TOTAL INCLUDING LANDSCAPING				SPRINKLERED		
CUSTOMER NUMBER	CUSTOMER NAME	READ DATE	CONSUMPTION IN CUBIC FEET	CONSUMPTION IN GALLONS	86 ROOM USAGE CUBIC FEET	86 ROOM USAGE GALLONS
304017	HOLIDAY INN EXPRESS	12/16/2004	22300	166604	27397.14	204930.63
304017	HOLIDAY INN EXPRESS	11/18/2004	43100	322388	52951.43	396076.69
304017	HOLIDAY INN EXPRESS	10/14/2004	53300	398684	65482.86	489811.77
304017	HOLIDAY INN EXPRESS	9/16/2004	53100	397188	65237.14	487973.83
304017	HOLIDAY INN EXPRESS	8/16/2004	60300	451044	74082.86	554139.77
304017	HOLIDAY INN EXPRESS	7/13/2004	73110	546862.8	89820.86	671860.01
304017	HOLIDAY INN EXPRESS	6/16/2004	27190	203381.2	33404.86	249868.33
304017	HOLIDAY INN EXPRESS	5/5/2004	40900	305932	50248.57	375859.31
304017	HOLIDAY INN EXPRESS	4/16/2004	33723	252248.04	41431.11	309904.73
304017	HOLIDAY INN EXPRESS	3/3/2004	27307	204256.36	33548.60	250943.53
304017	HOLIDAY INN EXPRESS	2/13/2004	20566	153833.68	25266.80	188995.66
304017	HOLIDAY INN EXPRESS	1/22/2004	22204	166085.92	27279.20	204048.42
TOTALS			477100	3568708	586151.43	4384412.69

ESTIMATED USAGE WITHOUT LANDSCAPING				NO SPRINKLER SYSTEM FOR IRRIGATION - DRIP			
CUSTOMER NUMBER	CUSTOMER NAME	READ DATE	CONSUMPTION IN CUBIC FEET	CONSUMPTION IN GALLONS	86 ROOM USAGE CUBIC FEET	86 ROOM USAGE GALLONS	
304017	HOLIDAY INN EXPRESS	12/16/2004	14272	106754.56	17534.17	131155.60	
304017	HOLIDAY INN EXPRESS	11/18/2004	27584	206328.32	33888.91	253489.08	
304017	HOLIDAY INN EXPRESS	10/14/2004	34112	255157.76	41909.03	313479.53	
304017	HOLIDAY INN EXPRESS	9/16/2004	33984	254200.32	41751.77	312303.25	
304017	HOLIDAY INN EXPRESS	8/16/2004	38592	288668.16	47413.03	354649.45	
304017	HOLIDAY INN EXPRESS	7/13/2004	46790.4	349992.192	57485.35	429990.41	
304017	HOLIDAY INN EXPRESS	6/16/2004	17401.6	130163.968	21379.11	159915.73	
304017	HOLIDAY INN EXPRESS	5/5/2004	26176	195796.48	32159.09	240549.96	
304017	HOLIDAY INN EXPRESS	4/16/2004	21582.72	161438.7456	26515.91	198339.03	
304017	HOLIDAY INN EXPRESS	3/3/2004	17476.48	130724.0704	21471.10	160603.86	
304017	HOLIDAY INN EXPRESS	2/13/2004	13162.24	98453.5552	16170.75	120957.22	
304017	HOLIDAY INN EXPRESS	1/22/2004	14210.56	106294.9888	17458.69	130590.99	
TOTALS			305344	2283973.12	375136.91	2806024.12	

22.985 / room

From: candy chand [<mailto:patcan85@hotmail.com>]
Sent: Saturday, April 27, 2013 1:37 PM
To: bobbi; pgumbinger@rmcsd.com; bferraro@rmcsd.com; Ed Crouse; mmartel@rmcsd.com; jpasek@rmcsd.com
Cc: editor@ranchomurieta.com; janis; matt mcguire
Subject: May Agenda request

Although the exact dollar amount for the water treatment plant is unknown, therefore the phrase "advisory vote," this is a request to have one or more directors place the following on the agenda for a verbal vote of the board at the next, May, CSD meeting. Thank you.

Regards,
Candy Chand

Agenda Request:

To initiate an official election, consisting of a paper advisory vote , to decipher if the ratepayers support funding a water treatment plant.

From: Matthew McGuire [<mailto:matthew.mcguire@gmail.com>]

Sent: Saturday, April 27, 2013 7:20 PM

To: GEPasek@aol.com; Bobbi Belton; pgumbinger@rmcsd.com; bferraro@rmcsd.com; Ed Crouse; mmartel@rmcsd.com; jpasek@rmcsd.com

Cc: editor@ranchomurieta.com; janiseckard@ranchomurieta.org; candy chand

Subject: Re: May Agenda Request

To clarify my agenda request:

I am requesting an agenda item for the verbal vote of Directors to initiate an official election, consisting of a paper advisory vote to decipher if the ratepayers would support funding the expansion of a water treatment plant for additional hookups.

Thank you,
Matthew McGuire

On Sat, Apr 27, 2013 at 6:50 PM, Matthew McGuire <matthew.mcguire@gmail.com> wrote:
As a resident and CSD ratepayer I would like to request to have one or more directors place the following on the agenda for a verbal vote of the board at the next, May, CSD meeting.

Thank you,
Matthew McGuire

Agenda Request:

To initiate an official election, consisting of a paper advisory vote , to decipher if the ratepayers support funding a water treatment plant.

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Improvements Committee Staff
Subject: Approve Water Treatment Plant Redesign Proposal

RECOMMENDED ACTION

Approve the proposal from HDR to redesign the Water Treatment Plant 1 expansion project, in an amount not to exceed \$177,778.

BACKGROUND

Recall the District designed the WTP1 expansion back in 2003 for the full build out scenario known then. In 2005, those plans were updated, primarily to bring the specifications current. Since that time, the plans and specs have been on the shelf.

As part of the current Financing and Services Agreement negotiations, the current thinking was to redesign the 2003 plans to downsize the expansion to only accommodate 670 units (NIC an additional 50 EDUs of public use).

As a follow-up from our April 26, 2013 workshop, I contacted Rich Stratton, our original design project manager with HDR, to discuss a third (3rd) approach to the expansion. Under the current thinking, HDR would work with the District on evaluating the maximum capacity that can be built in the WTP 1 footprint and various upsizing and phasing scenarios.

The thought is that the District would take the lead in the redesign and construction of the retrofit to membrane technology at a capacity of 1.5 mgd (which is the current capacity of WTP1) and consider upsizing piping, controls, etc., to accommodate future growth.

Under this scenario, future developers would be required to reimburse the District for their prorated share of the upsizing and pay for installation of membranes for their project needs.

HDR's efforts, in this regard, are included in Subtask 1.4, basis of design report.

There is a nominal increase in this proposal over the initial proposal HDR tendered to Cosumnes River Land, LLC.

The Improvements Committee recommends approval.

May 10, 2013

Mr. Ed Crouse
General Manager
Rancho Murieta CSD
P.O. Box 1050
Rancho Murieta, CA 95683

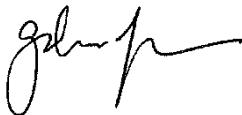
RE: Proposal for Water Treatment Plant Expansion Engineering Design Services

Dear Mr. Crouse:

HDR is pleased to present this proposal for updating the Water Treatment Plant Phase 3/4 Basis of Design Report and updating the previous design for expanding the plant. Our proposal includes a scope of work, schedule, and estimated work effort and cost table.

Please let us know if you have any questions or comments. We look forward to working with you on this important project.

Sincerely,



Graham D. Sharpe, P.E.
Vice President



Richard G. Stratton, P.E.
Project Manager / Vice President

RGS:pk/13057

EXHIBIT A SCOPE OF SERVICES

Rancho Murieta Community Services District Water Treatment Plant Expansion Engineering Design Services

The scope of work was developed based on updating the original Phase 3 and 4 Water Treatment Plant Expansion Basis of Design Report as well as the 2005 design documents for the preferred membrane technology and for a design capacity as determined in the updated technical report.

ASSUMPTIONS

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

- The expansion will replace the existing 1.5 mgd capacity of Plant 1, which requires decommissioning due to age and obsolete technology.
- The only work that would take place on Plant 2 would be piping modifications to allow use of the chlorine contact basin.
- The updated technical report will contain much of the information required for the Engineering Technical Report required by the California Department of Public Health (CDPH) for a plant expansion. However, preparation of the Engineering Technical Report is not included in the design scope of work and budget.
- California Environmental Quality Act (CEQA) documentation for the water treatment plant expansion project that was prepared in 2003 is no longer valid and will need to be updated. A separate proposal will be provided for this work after completion of the Basis of Design Report update.
- The fee is based on modifying the original Phase 3 and 4 design as follows:
 - Eliminate one of the membrane trains, including associated ancillary equipment, or keep three trains and reduce the capacity of each train.
 - Modify remaining trains' design to meet Zenon current design standards for the Zeeweed (ZW)-1000 series or another membrane system identified as the preferred option in the Basis of Design Report.
 - Add potassium permanganate feed facilities in response to recent concerns with manganese as well as taste and odors in the feed water.
 - Modify piping and electrical drawings to accommodate the new membrane and chemical systems design
 - Provide space and connections for a taste and odor treatment process should it be needed in the future.

- Reproduction costs for final documents for the Design-Build Contractor and subcontractors (when selected) are not part of the scope of work and will be invoiced to the design-build team directly from the copy shop.
- The District is its own code enforcing agency, and a building permit from Sacramento County will not be required.
- Bid phase and engineering services during construction are not included in the design scope of work and budget.
- Construction management services are not included in the design scope of work and budget.

LIST OF TASKS AND DELIVERABLES

Task 1 - 30 Percent Design and Revisions to Basis of Design Report Phase

Subtask 1.1 - Project Management

HDR will setup and monitor project schedule and budget controls for in-house control, and prepare monthly progress reports and invoices.

Deliverables: *Monthly progress reports and invoices.*

Subtask 1.2 - Project Re-Initiation Meeting

HDR will meet with the District to finalize the schedule, determine task priorities, introduce the new design team, confirm lines of communication, work out unresolved details, and collect available data needed for the design revisions.

Deliverables: *Meeting agenda and minutes.*

Subtask 1.3 - Workshop Meeting

HDR will conduct a workshop meeting with District staff during preparation of the Basis of Design Report update. The purpose of the workshop will be to review the treatment alternatives analysis and to select the preferred technology for expanding Plant 1 through a consensus building approach.

Deliverables: *Meeting agenda and minutes.*

Subtask 1.4 - Preliminary Design and Revisions to Basis of Design Report

The Basis of Design Report will be updated to include updated calculations, sizing for revised project components, and draft drawings describing the general size, nature, and complexity of the project revisions. The preliminary design will include a phasing plan based on current and projected water demands. The highest possible capacity that can be placed in the existing Plant 1 footprint will be determined. In addition, the report will evaluate the following alternatives:

- Various submerged membrane systems under a canopy.
- Various pressure membrane systems in a building.

The 30 percent drawings based on the preferred alternative (Phase 3 only) will include revised preliminary equipment layout drawings and revised piping plans.

Deliverables: *Five bound sets and PDF copy of the updated Basis of Design Report for District review and comment, one bound set of the updated Basis of Design Report for review by the CDPH, and five half-size (11" x 17") sets of 30 percent drawings.*

Subtask 1.5 - Preliminary Design Review Meeting

HDR will conduct a review meeting with District during preliminary design phase of work. One meeting will be held after District review of the 30 percent design submittal and to reach consensus on the proposed design changes.

Deliverables: *Meeting agenda and minutes.*

Subtask 1.6 - CDPH Meeting

HDR will attend on meeting with the CDPH to review their comments regarding the updated Basis of Design Report.

Deliverables: *Meeting agenda and minutes.*

Task 2 - Final Design Services

Subtask 2.1 - Project Management

HDR will setup and monitor project schedule and budget controls for in-house control, and prepare monthly progress reports and invoices.

Deliverables: *Monthly progress reports and invoices.*

Subtask 2.2 - Coordination Meeting

HDR will conduct a coordination meeting (as needed) with District and Design-Build Contactor during design phase of work. One coordination meeting is budgeted during the design phase.

Deliverables: *Meeting agenda and minutes.*

Subtask 2.3 -90 Percent Design with Revisions

After incorporation of District's comments on the 30 percent design, HDR will prepare updated drawings and specifications that reflect the changes to the membrane system and associated drawings to the 90 percent design level.

A preliminary list of anticipated drawings to be modified is shown in Table A-1.

Table A-1 - Preliminary List of Drawings to be Modified	
No.	Drawing Title
General	
G-1	Cover Sheet and List of Drawings
G-5	Process Schematic I and Design Criteria
G-6	Process Schematic II
G-7	Hydraulic Profile
Demolition	
No changes anticipated	
Civil and Landscaping	
C-102	Site Piping Plan
Structural	
S-303	Membrane System Foundation Plan
S-304	Membrane System Steel Foundation & Top Deck Plan
S-308	Membrane System Framing Section
S-309	Membrane System Building Sections
S-310	Membrane System Grating Plan
S-312	Membrane System Grating Support Plan
S-313	Membrane System Grating Support Sections & Details
S-317	Membrane System Sections & Details
Process	
P-301	Membrane System Top Deck Plan
P-302	Membrane System Equipment and Piping Plan
P-303	Membrane System Basin Sections
P-305	Membrane System Sections and Details I
P-306	Membrane System Sections and Details II
P-401	Membrane System Ancillary Equipment Room
P-402	Membrane System Ancillary Equipment Room Section and Detail
P-603	Chemical Room Plan
P-605	Chemical Room Sections
P-801	Treated Water Booster Pump Station Plan and Section
Mechanical	
No changes anticipated	
Electrical	
E-003	One-Line Diagram I

Table A-1 - Preliminary List of Drawings to be Modified	
No.	Drawing Title
E-004	One-Line Diagram II
E-008	Conduit and Lighting Fixture Schedules
E-009	Panelboard and Pullbox Schedules
E-101	Control Room Electrical Plan
E-301	Membrane System Electrical Plan
E-303	Membrane Pumping System Electrical Plan I
E-304	Membrane Pumping System Electrical Plan II
E-305	Membrane System Top Deck Lighting Plan
E-305	Membrane System Cable Tray Plan
E-305	Membrane System Cable Tray Sections
E-801	Treated Water Booster Pump Station Electrical Plan
Instrumentation	
I-201	Process and Instrumentation Diagram – Flow Meter, Traveling Screen
I-202	Process and Instrumentation Diagram – Flow Meter, Traveling Screen I
I-301	Process and Instrumentation Diagram – Membrane System I
I-302	Process and Instrumentation Diagram – Membrane System II
I-303	Process and Instrumentation Diagram – Membrane System III
I-304	Process and Instrumentation Diagram – Membrane System III
I-305	Process and Instrumentation Diagram – Membrane System IV
I-306	Process and Instrumentation Diagram – Chemical Systems I
I-307	Process and Instrumentation Diagram – Chemical Systems II
I-308	Process and Instrumentation Diagram – Chemical Systems III
I-801	Process and Instrumentation Diagram – Treated Water Booster Pumps

An engineer's estimate of probably construction cost will be also be prepared.

Deliverables: *Five half-size sets of 90 percent drawings, five bound sets of 90 percent specifications, and PDF of the engineer's estimate of probable construction cost.*

Subtask 2.4 - 90 Percent Design Review Meeting

HDR will conduct a review meeting with District after District review of the 90 percent design submittal.

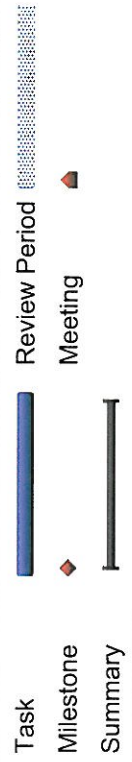
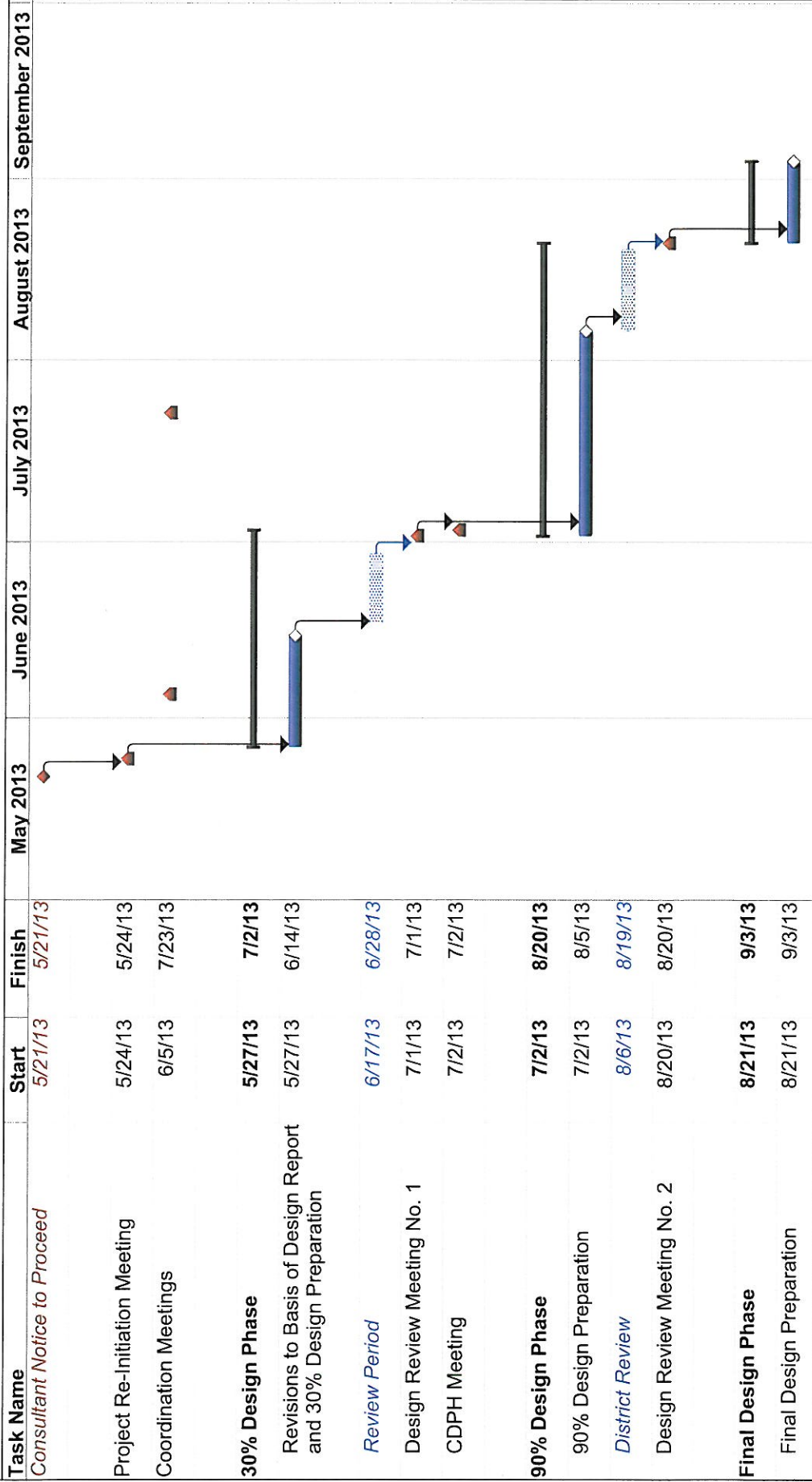
Deliverables: *Meeting agenda and minutes.*

Subtask 2.5 - Final Design

After incorporation of District's comments on the 90 percent design, HDR will provide final drawings and specifications, and finalized cost estimate in accordance with District standards.

Deliverables: *Five half-size sets of final drawings, five bound sets of final specifications, PDF of the final engineer's estimate of probable construction cost, one reproducible original and signed set of half-size and full-size (22" x 34") final drawings, one reproducible original and signed set of final specifications, CD containing PDF, AutoCAD, and MS Word version of the final design documents.*

EXHIBIT B - PROJECT SCHEDULE



**Rancho Murieta Community Services District
Water Treatment Plant Expansion**

**EXHIBIT C
FEE FOR BASIC SERVICES**

**Rancho Murieta Community Services District
Water Treatment Plant Expansion for Phase 3 (only)
*Engineering Design Services***

Proposed labor hours and fees for the work described above are summarized below and shown in detail in Table C-1.

Design Phase Services

Task 1 - 30 Percent Design and Revisions to Basis of Design Report	\$31,146
Task 2 - Final Design Services	\$146,632
<hr/>	
Total Design Phase Services	\$177,778

Table C-1. Estimated Work Effort and Cost

Rancho Murieta Community Services District
 Water Treatment Plant Expansion - Engineering Design Services

Task No.	Task Description	QA/QC	Project Manager	Project Engineer	Structural Engineer	Electrical Engineer	CADD Tech	Admin/ Clerical	Total HDR Labor Hours	Total HDR Labor (\$)	Total HDR Expenses (\$)	Total Cost (\$)
Task 1 - 30 Percent Design and Revisions to Basis of Design Report												
1.1	Project Management		10					24	34	\$5,080	\$508	\$5,588
1.2	Project Re-Initiation Meeting		2	2		2			6	\$1,106	\$111	\$1,217
1.3	Workshop Meeting		2	2					4	\$808	\$81	\$889
1.4	Preliminary Design and Revisions to Basis of Design Report	8	12	46	20	10	18	8	122	\$19,001	\$1,900	\$20,901
1.5	Preliminary Design Review Meeting		2	2		2			6	\$1,106	\$111	\$1,217
1.6	CDPH Meeting		3	3					6	\$1,212	\$121	\$1,333
	Subtotal Task 1	8	31	55	20	14	18	32	178	\$28,314	\$2,831	\$31,146
Task 2 - Final Design Services												
2.1	Project Management		10					24	34	\$5,080	\$508	\$5,588
2.2	Coordination Meeting		2	2					4	\$808	\$81	\$889
2.3	90% Design with Revisions	16	40	90	100	86	347		679	\$99,032	\$9,903	\$108,935
2.4	90% Design Review Meeting		2	2		2			6	\$1,106	\$111	\$1,217
2.5	Final Design	6	6	20	60	14	80		186	\$27,275	\$2,728	\$30,003
	Subtotal Task 2	22	60	114	160	102	427	24	909	\$133,302	\$13,330	\$146,632
TOTAL		30	91	169	180	116	445	56	1,087	\$161,616	\$16,162	\$177,778

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Receive 2012 Diversion Report

RECOMMENDED ACTION

Receive and file the 2012 Diversion Report from California Waste Recovery Systems.

BACKGROUND

Attached is the 2012 Diversion Report from California Waste Recovery Systems (Cal Waste). Jack Fiori, Vice President, California Waste Recovery Systems, will attend the May 15, 2013 Board meeting to make his annual presentation.

May 8, 2013

Ed Crouse
General Manager
Rancho Murieta Community Services District
P.O. Box 1050
Rancho Murieta, CA 95683

Subject: 2012 Diversion Report

Dear Ed:

Each year California Waste Recovery Systems is required to prepare and submit an annual diversion report for the residential collection services we provide through our Collection Services Contract with the Rancho Murieta Community Services District. This report details the tons of solid waste collected and disposed, as well as the tons of materials recycled or otherwise diverted from disposal.

This report is for the period 1/1/12 through 12/31/12 and is prepared per the guidelines of Article 5, Diversion Requirements, and Article 14, Record Keeping and Reporting Requirements of the Collection Services Contract. Enclosed are the monthly detailed tonnage and diversion reports for all materials we collected through our Rancho Murieta Collection Services Contract in 2012.

As I have related in prior years, neither our Collection Services Contract with Rancho Murieta nor the Agreement executed between the CSD and Sacramento County require that any action be taken with this information or for you to report these results to any other agency. We already furnish these quarterly tonnage reports directly to the Sacramento County Solid Waste Authority (SWA) and will continue to do so through the duration of the Contract because diversion is measured regionally for the unincorporated County. The tons collected in Rancho Murieta are part of that consolidated result.

The table on Page 2 summarizes the tons we collected in 2012 compared to those tons we collected in years 2006 thru 2011. There continue to be some interesting trends in the annual tons collected since the Agreement began in 2006. The overall tonnage we collect each year has dropped 5% since we began in 2006. Since 2006, the Trash tons have decreased by 7%, while the Recyclables tons have decreased by more than 19% during the same period. These trends are most likely the result of both changes in consumer's buying habits and manufacturers reducing their packaging content. During the same period, greenwaste tons increased by 12%.

Ed Crouse
General Manager
Rancho Murieta Community Services District
May 8, 2013
Page 2

Annual Tons	2006	2007	2008	2009	2010	2011	2012
Trash	2033	2024	1924	1911	1932	1901	1891
Recyclables	788	783	728	677	681	705	639
Greenwaste	971	986	1081	1156	1215	1121	1088
Total	3792	3793	3733	3744	3828	3727	3618
Diversion Rate	46%	47%	48%	49%	50%	48%	48%

We are looking forward to presenting and discussing all of the 2012 Diversion Report results with you and the Board of Directors at the CSD Board meeting on May 15, 2013. Thank you for the opportunity to provide residential solid waste and recyclables collection in Rancho Murieta.

Sincerely,



Jack Fiori
Vice President

Enclosures

**Rancho Murieta Diversion Report
1st Quarter 2012**

California Waste Recovery Systems										
Jan-12										
Tonnage/Diversion Report										
Rancho Murieta										
	Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage
Residential		165.29	54.85	2.88	2.30	4.28	73.57	303.16	137.87	45.48%
Totals		165.29	54.85	2.88	2.30	4.28	73.57	303.16	137.87	45.48%
Feb-12										
Tonnage/Diversion Report										
Rancho Murieta										
	Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage
Residential		142.72	45.27	2.38	1.90	3.53	59.60	255.39	112.67	44.12%
Totals		142.72	45.27	2.38	1.90	3.53	59.60	255.39	112.67	44.12%
Mar-12										
Tonnage/Diversion Report										
Rancho Murieta										
	Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage
Residential		148.51	45.37	2.38	1.90	3.54	57.17	258.87	110.36	42.63%
Totals		148.51	45.37	2.38	1.90	3.54	57.17	258.87	110.36	42.63%
JAN - MAR 2012										
Tonnage/Diversion Report										
Rancho Murieta										
	Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage
Residential		456.51	145.48	7.64	6.11	11.34	190.34	817.42	360.91	44.15%
Totals		456.51	145.48	7.64	6.11	11.34	190.34	817.42	360.91	44.15%
								817.42		

**Rancho Murieta Diversion Report
2nd Quarter 2012**

California Waste Recovery Systems										
Jul-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	146.38	42.22	2.22	1.77	3.29	96.48	292.36	145.98	49.93%	
Totals	146.38	42.22	2.22	1.77	3.29	96.48	292.36	145.98	49.93%	
Aug-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	184.43	42.32	2.22	1.78	3.30	162.67	396.71	212.28	53.51%	
Totals	184.43	42.32	2.22	1.78	3.30	162.67	396.71	212.28	53.51%	
Sep-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	152.66	42.20	2.22	1.77	3.29	75.40	277.53	124.87	44.99%	
Totals	152.66	42.20	2.22	1.77	3.29	75.40	277.53	124.87	44.99%	
JULY - SEPT 2012										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	483.47	126.73	6.65	5.32	9.88	334.55	966.60	483.13	49.98%	
Totals	483.47	126.73	6.65	5.32	9.88	334.55	966.60	483.13	49.98%	
							966.60			

**Rancho Murieta Diversion Report
3rd Quarter 2012**

California Waste Recovery Systems										
Jul-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	168.60	48.51	2.55	2.04	3.78	65.24	290.72	122.12	42.01%	
Totals	168.60	48.51	2.55	2.04	3.78	65.24	290.72	122.12	42.01%	
Aug-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	169.61	53.57	2.81	2.25	4.18	62.17	294.59	124.98	42.42%	
Totals	169.61	53.57	2.81	2.25	4.18	62.17	294.59	124.98	42.42%	
Sep-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	140.98	41.11	2.16	1.73	3.21	71.61	260.79	119.81	45.94%	
Totals	140.98	41.11	2.16	1.73	3.21	71.61	260.79	119.81	45.94%	
JULY - SEPT 2012										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	479.20	143.19	7.52	6.01	11.16	199.02	846.10	366.90	43.36%	
Totals	479.20	143.19	7.52	6.01	11.16	199.02	846.10	366.90	43.36%	
							846.10			

Rancho Murieta Diversion Report
4th Quarter 2012

California Waste Recovery Systems										
Oct-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	157.05	38.58	2.03	1.62	3.01	98.96	301.25	144.20	47.87%	
Totals	157.05	38.58	2.03	1.62	3.01	98.96	301.25	144.20	47.87%	
Nov-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	162.96	44.09	2.31	1.85	3.44	122.43	337.08	174.12	51.66%	
Totals	162.96	44.09	2.31	1.85	3.44	122.43	337.08	174.12	51.66%	
Dec-12										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	152.10	47.19	2.48	1.98	3.68	143.19	350.62	198.52	56.62%	
Totals	152.10	47.19	2.48	1.98	3.68	143.19	350.62	198.52	56.62%	
OCT - DEC 2012										
Tonnage/Diversion Report										
Rancho Murieta										
Service Type	Trash	Mixed Paper Cardboard	Glass	Metal	Plastic	Greenwaste Wood	Total	Diversion Tons	Diversion Percentage	
Residential	472.11	129.86	6.82	5.45	10.13	364.58	988.95	516.84	52.26%	
Totals	472.11	129.86	6.82	5.45	10.13	364.58	988.95	516.84	52.26%	
							988.95			

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Finance Committee Staff
Subject: Approve California Waste Recovery Systems Seventh (7th) Contract Amendment

RECOMMENDED ACTION

Approve the seventh (7th) contract amendment between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal.

DISCUSSION

California Waste Recovery Systems (CWRS) has been providing refuse services for Rancho Murieta since November 2005. The current contract amendment for fiscal year 2012-13 rates expires on June 30, 2013. The amended contract between Rancho Murieta Community Services District (District) and CWRS will be effective July 1, 2013 through June 30, 2014.

The amended contract revises and updates the Contractor Collection Service Rates (Exhibit 1).

The costs for CWRS services will increase by approximately 2.2% or \$11,640 for the 2013-14 fiscal year.

The Finance Committee recommends approval.

**Seventh Amendment to
Collection Services Contract for the Provision of Solid Waste,
Recyclables Materials and Green Waste Collection Services
Between
The Rancho Murieta Community Services District
And
California Waste Recovery Systems, LLC**

The Seventh Amendment to the Contract titled above (Collection Services Contract for the provision of Solid Waste, Recyclables, Materials and Green Waste Collection Services), executed as of August 24, 2005 by the between the Rancho Murieta Community Services District (District) and California Waste Recovery Systems, LLC. (Contractor) is made and entered into by the District and the Contractor as of the latter date written below.

Pursuant to Section 40.01 of the contract, the District and the Contractor may change or amend the Agreement upon written agreement duly authorized and executed by both the District and the Contractor.

Now, therefore, in consideration of the mutual promises, covenants, guaranties and conditions contained in this Seventh Amendment, receipt of which is acknowledged, the District and the Contractor agree as follows:

1. Exhibit 1 (attached), the Contractor Collection Services Rates, effective July 1, 2013 to June 30, 2014, is substituted and amended in this Seventh Amendment.

Except for the amendments and/or additions stated in the First Amendment, effective on July 1, 2007; the Second Amendment, effective on July 1, 2008; Third Amendment, effective July 1, 2009; the Fourth Amendment, effective July 1, 2010; the Fifth Amendment, effective July 1, 2011; the Sixth Amendment effective July 1, 2012; and this Seventh Amendment effective July 1, 2012; all other provisions of the Agreement remain in full force and effect, effective July 1, 2012 thru June 30, 2013.

Authority to Execute: The District warrants that the officers listed below have been duly authorized by the District to execute this Seventh Amendment on behalf of the District. The Contractor warrants that the individuals listed below have been duly authorized by the Contractor to execute this Seventh Amendment on behalf of the Contractor.

In Witness, whereof, the Parties to this Seventh Amendment have executed this Seventh Amendment as of the latter date written below.

THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Edward R. Crouse, General Manager

Gerald Pasek, Board President

Date

Date

CALIFORNIA WASTE RECOVERY SYSTEMS, LLC

Dave Vaccarezza
Owner

Date

Exhibit 1
**CONTRACTOR COLLECTION SERVICE RATES WITHOUT
FRANCHISE FEE**
EFFECTIVE 07/01/2013

A. COLLECTION SERVICES

1	Garbage Cart Sizes (gallons)	38	64	96
2	Disposal Charge Per Ton – Solid Waste	\$30.00		
3	Monthly Per Unit Solid Waste Generation Factor	0.03	0.08	0.2
4	Disposal Element	\$1.05	\$2.29	\$5.39
5	Monthly Collection Element	\$14.99	\$15.40	\$21.80
6	TOTAL MONTHLY COLLECTION RATE (Lines A4 + A5)	\$16.04	\$17.69	\$27.19

B. ADDITIONAL CARTS

1	Garbage Cart Sizes (gallons)	38	64	96
2	MONTHLY COST FOR EACH ADDITIONAL GARBAGE CART	\$7.89	\$9.86	\$21.00
3	MONTHLY COST FOR EACH ADDITIONAL RECYCLING CART IN EXCESS OF ONE(1) RECYCLING CART	N/A	\$6.28	\$6.28
4	MONTHLY COST FOR EACH ADDITIONAL GREEN WASTE CART IN EXCESS OF TWO (2) GREEN WASTE CARTS	N/A	\$6.28	\$6.28

C. DISCOUNT FOR GREEN WASTE EXEMPTION

1	Garbage Cart Sizes (gallons)	38	64	96
2	MONTHLY DISCOUNT FOR GREEN WASTE EXEMPTION	\$2.00		

D. ADDITIONAL LARGE ITEM COLLECTION SERVICE RATE (ON-CALL)				
1	Additional Large Item Size	1 Cu. Yd.		
2	Disposal Charge Per Ton – Large Item	\$30.00		
3	Per Unit Large Item Generation Factor	0.05		
4	Disposal Element (Line D2 multiplied by Line D3)	\$1.50		
5	Collection Element	\$35.48		
6 TOTAL LARGE ITEM COLLECTION RATE (Lines D4 + D5)		\$36.98		
E. EXCESS CART EXCHANGE SERVICE RATE (Each occurrence)				
1	Garbage Cart Sizes (gallons)	38	64	96
2 EXCESS CART DELIVERY SERVICE RATE		\$17.37		
F. EMERGENCY SERVICE RATES				
1	Laborer (per hour)	\$43.45		
2	Automated truck (Heil) with driver (per hour)	\$111.74		
3	Front loader truck (White) with driver (per hour)	\$105.53		
4	Roll off truck (White) with driver (per hour)	\$105.53		
5	Forman and pickup (GMC) (per hour)	\$62.06		
6	Transfer truck and trailer with driver (White/Wilkins) (per hour)	\$111.74		

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Finance Committee Staff
Subject: Approve Additional Term of Collection Services Contract with California Waste Recovery Systems

RECOMMENDED ACTION

Approve an additional ten (10) year term of the Collection Services Agreement between Rancho Murieta Community Services District and California Waste Recovery Systems for solid waste collection and disposal.

DISCUSSION

California Waste Recovery Systems (CWRS) has been providing refuse services for Rancho Murieta since November 2005. CWRS has always provided excellent service to the residents of Rancho Murieta.

With the additional contract term, CWRS will be providing some service enhancements, which include: household battery collection, cooking oil collection, e-waste collection, and an increase in the allowable volume of large item collection service.

Approval of the additional contract term would also be a cost savings to the District. Some of the avoided costs include cart procurement costs, staff and Board time and money in bid process, and possible increase in Sacramento County charges for new vendor.

The Finance Committee recommends approval.

May 2, 2013

Gerald Pasek
President, Board of Directors
Rancho Murieta Community Services District
P.O. Box 1050
Rancho Murieta, CA 95683

Subject: Renewal of Collection Services Contract for the Provision of Solid Waste, Recyclable Materials and Green Waste Collection Services.

Dear President Pasek:

Since the inception of our Collection Services Contract in November, 2005, we hope that our performance has exceeded your expectations from us. We have enjoyed our working relationship with the CSD Board and Staff, and we appreciate the opportunity to provide services to your residents each week. The purpose of this letter is to formally request that the Board of Directors of the Rancho Murieta Community Services District approve an additional 10-year term for our Collection Services Contract.

In March, we met with Ed and Darlene to discuss the renewal of our Collection Services Contract. At that meeting, three topics were identified to be addressed as a starting point for these discussions.

1. Service Enhancements:

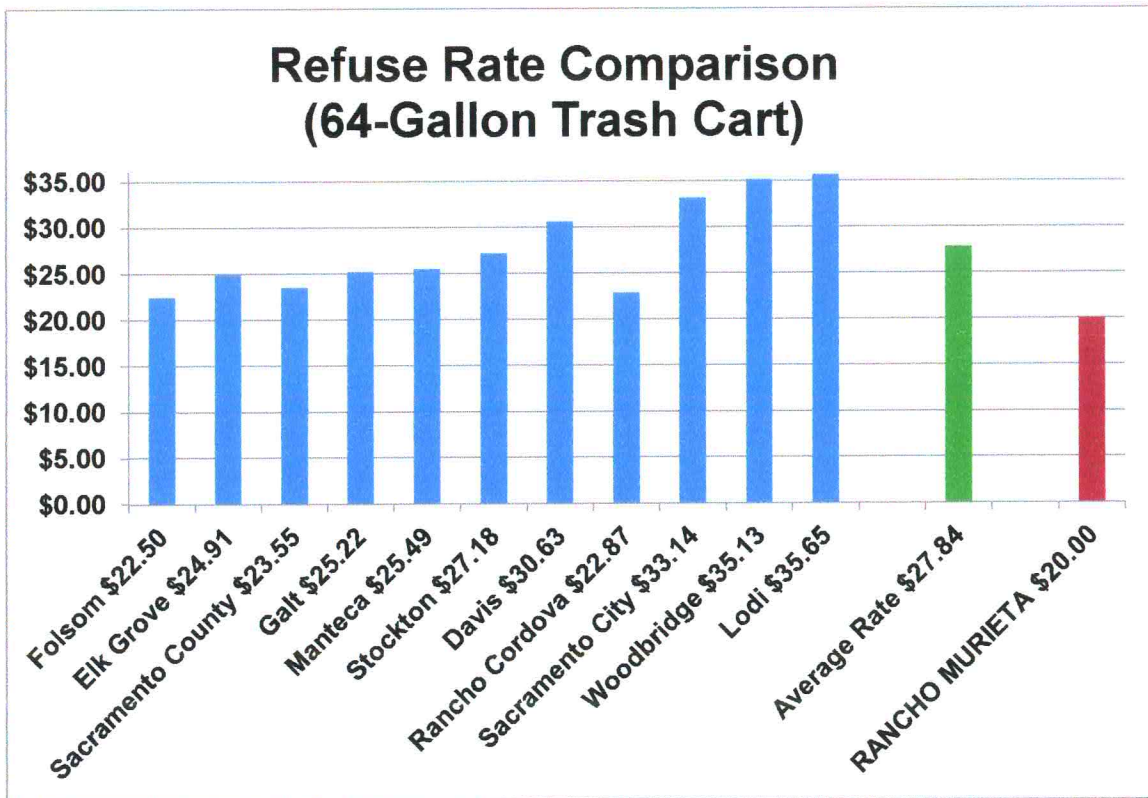
We have reviewed other recent municipal residential collection contracts to identify provisions they contain that are not part of the current Rancho Murieta contract. As part of our request for this Contract renewal, we propose the agreement be amended to include the following:

- a. Household Battery Collection in the Recycling Cart
- b. Cell Phone Collection in the Recycling Cart
- c. Electronic Waste (E-Waste) collection added to our Large Item Collection Service.
- d. Universal Waste (U-Waste) collection added to our Large Item Collection Service.
- e. Increase the allowable volume of Large Item Collection Service from the current five (5) cubic yards of collection to six (6) cubic yards of collection.
- e. Revise Section 7.02 of the Contract to allow any Rancho Murieta resident who requests on-premises service to receive it.
- f. Revise Section 18.01.1 of the Contract to amend the Performance Bond value to \$25,000.
- g. Used Cooking Oil collection at the Curb in a program similar to our Used Motor Oil collection.
- h. Provision of the Solid Waste and Recyclables collection services for the CSD Offices at No-Charge.

- i. Provision of two (2) 40-cubic yard bins for Solid Waste and Recyclables collection at the annual CSD HHW event at No-Charge.
- j. Provision of a quarterly article for the CSD website 'News & Updates' tab.
- k. Provision of an extension allowance for an additional ten (10) year term.

2. Rate Comparison:

The chart below shows collection rates (all in effect on 1/1/13) for equivalent services for eleven (11) other municipalities compared to the Rancho Murieta rates. In addition to Rancho Murieta's rate being lower than every other municipality, the rates show that Rancho Murieta's rate is almost \$8.00 per month less than the average of those other municipalities.



3. Reasons to renew the Contract with California Waste Recovery Systems versus going out to a competitive bid.

- a. **Great Service:** We believe that California Waste Recovery Systems has a great service record in Rancho Murieta. We are proud that the CSD has received almost no complaints about either our service or our programs. We pledge to continue to provide the same great service and endeavor to exceed the needs and expectations of the CSD and the Residents.
- b. **Great Rates:** The table in Section 2 clearly illustrates that Rancho Murieta currently has the lowest rates in the surrounding area for comparable or enhanced services.
- c. **State of the Art Collection Vehicles:** California Waste Recovery Systems pledges to continue to furnish collection trucks that are fully compliant with California Air Resources Board (CARB) and other Federal and State regulations. Additionally, we will continue to monitor alternate fuel options, such as CNG and LNG. Currently, the lack of strategically located refueling facilities limit consideration of these fuels, but we remain hopeful that network will expand in future years.
- d. **Expanded Recovery Services:** California Waste Recovery Systems has made an \$11 million investment in a State-of-the-Art High Performance Materials Recovery Facility in the city of Galt. All of the Rancho Murieta recyclables will be processed in our new facility starting in June. Going forward, we anticipate our new facility will allow us to expand our list of acceptable materials for recycling in Rancho Murieta.
- e. **Procurement Expense:** RFP processes are time consuming and very costly. The costs of recent RFPs have exceeded \$100,000, an expense that ultimately gets passed onto the resident. Additionally, CSD Staff and Board resources related to an RFP process can be expensive and consume a great deal of time and money.
- f. **Other Avoided Costs:** Cart procurement and distribution costs are also an expense that ultimately gets passed onto the resident. Another concern could be the possible increase in Sacramento County charges to the CSD for a new vendor.

Gerald Pasek
President, Board of Directors
Rancho Murieta Community Services District
May 2, 2013
Page 4

- g. **Avoid a Community-Wide Disruption:** The residents of Rancho Murieta are currently enjoying dependable and quality service at reasonable rates. Seeking a new vendor for waste services would cause a significant disruption in the Rancho Murieta community including the chaos of a program roll-out by a new vendor and a community-wide cart exchange.

We are very interested in continuing to provide residential collection services for Rancho Murieta. We request that you give direction to CSD Staff to work collaboratively with us to amend the current Collection Services Contract incorporating the proposed enhancements listed above, along with any other ideas agreed to with the Board. We further request that the revised Collection Services Contract be for an additional ten (10) year term to commence at the conclusion of the current term, October 31, 2015.

Sincerely,



David Vaccarezza
President and Owner

AMENDED
COLLECTION SERVICES CONTRACT
FOR THE PROVISION OF
SOLID WASTE, RECYCLABLE MATERIALS AND
GREEN WASTE COLLECTION SERVICES

Executed Between the
Rancho Murieta Community Services District
and

California Waste Recovery Systems, LLC

July 1, 2013

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This Contract made and entered into this first day of July, 2013, by and between the Rancho Murieta Community Services DISTRICT, a Special DISTRICT of the State of California, hereinafter referred to as "DISTRICT" and California Waste Recovery Systems, LLC, a California Limited Liability Company, hereinafter referred to as "CONTRACTOR".

Now, therefore, in consideration of the mutual covenants, Contracts and consideration contained herein, the DISTRICT and CONTRACTOR hereby agree as hereinafter set forth:

Article 1. Definitions

For the purpose of this Collection Services Contract, hereinafter referred to as "Contract", the definitions contained in this Article shall apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

1.01 Biohazardous or Biomedical Waste. Any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are wastes resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but are not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

1.02 Brown Goods. Electronic equipment such as stereos, televisions, computers, monitors, VCR's and other similar items.

1.03 Cellular Phones. Any cellular phone, smart-phone, i-Pad, i-Pod or other MP3 player, PDA, and their batteries and charging cords. Residents may recycle Cellular Phones by placing them in a clear, zipper-locked bag and putting the bag into their Recycling Cart.

1.04 Collection. The process whereby Residential Waste, Recyclable Materials and other materials are removed and transported to a Disposal Facility, Green Waste Processing Facility, Materials Recycling Facility or other facility as appropriate.

1.05 Collection Services. Residential Collection Service.

1.06 Construction and Demolition Debris. Used or discarded materials resulting from construction, remodeling, repair or demolition operations on any pavement, house, commercial building or other structure and such other materials as may be removed during the normal cleanup process of such construction, remodeling, repair, or demolition operations.

1.07 Contract. The written document and all amendments thereto, between the DISTRICT and the CONTRACTOR, governing the provision of Collection Services as provided herein.

1.08 Contract Administrator. That person, or their designee, designated by the DISTRICT to administer and monitor the provisions of this Contract.

-
- 1.09 Contract Year. Each twelve (12) month period from July 1st to June 30th.
- 1.10 CONTRACTOR. That person or entity that has obtained from the DISTRICT a Contract to provide Collection Services as set forth herein.
- 1.11 County. Sacramento County, California.
- 1.12 Disposal Facility. The Kiefer Landfill designated by DISTRICT or such place or places specifically designated by the DISTRICT for the disposal, or processing as appropriate, of Residential Waste, and other materials as appropriate and acceptable.
- 1.13 DISTRICT. The Rancho Murieta Community Services DISTRICT, California.
- 1.14 Dwelling Unit. An individual living unit in a single family dwelling, condominium, townhouse, mobile home, duplex, triplex, fourplex, or building of four or less total individual living units intended for, or capable of being utilized for, residential living other than a Hotel or Motel.
- 1.15 Electronic Waste (E-waste). Electronic products (i.e. computers, televisions, VCRs, stereos, copiers, fax machines) at the end of their useful life.
- 1.16 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, Stable Matter, Green Waste or lumber that is more than five (5) feet in length in its longest dimension or two (2) feet in diameter, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission.
- 1.17 Garbage. All putrescible waste which generally includes, but is not limited to, kitchen and table food waste, animal, vegetative, food or any organic waste that is attendant with, or results from the storage, preparation, cooking or handling of food materials attributed to normal activities of a Residential Service Unit. Garbage must be generated by and at the Residential Service Unit wherein the Garbage is Collected. Garbage does not include those items defined herein as Exempt Waste.
- 1.18 Garbage Carts. A heavy plastic receptacle with a rated capacity of at least thirty two (32) and not more than ninety-six (96) gallons for use by Service Recipients for Residential Solid Waste Collection Service under this Contract. Garbage Carts must meet the minimum specifications set forth in Exhibit 4 which is attached to and included in this Contract.
- 1.19 Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than five (5) feet in its longest dimension or six (6) inches in diameter or weighs no more than fifty (50) pounds. Green Waste includes plant debris, such as Palm, Yucca and Cactus, grass clippings, leaves, pruning, weeds, branches, brush, Christmas trees, and other forms of organic waste and must be generated by and at the Residential

Service Unit wherein the Green Waste is Collected. Green Waste does not include items herein defined as Exempt Waste.

1.20 Green Waste Cart. A heavy plastic receptacle with a rated capacity of not less than sixty four (64) gallons and not more than ninety six (96) gallons for use by Service Recipients for Green Waste Collection Service under this Contract. Green Waste Carts must meet the minimum specifications set forth in Exhibit 4 to this Contract.

1.21 Green Waste Collection Service. The Collection of all Green Waste from Residential Service Units in the Service Area and the delivery of that Green Waste to a Green Waste Processing Facility.

1.22 Green Waste Processing Facility. Any facility designed, operated and legally permitted for the purpose of receiving and processing Green Waste and Large Green Waste.

1.23 Hazardous Waste. Any material which is defined as a hazardous waste under California or United States law, or any regulations promulgated pursuant to such law, as such law or regulations may be amended from time to time except such materials as may be defined herein as Brown Goods.

1.24 Hotel or Motel. A structure or building unit(s) capable of being utilized for residential living where such unit or a group of such units is regularly rented to transients or held out or advertised to the public as a place regularly rented to transients for periods of seven (7) days or less. To meet this definition, the Hotel or Motel must be licensed to operate as such.

1.25 Household Batteries: Alkaline batteries (i.e. AAA, AA, C, D, button, 6-volt, 9-volt batteries) and rechargeable batteries (Nickel Cadmium (Ni-Cd), Nickel Metal Hydride (Ni-MH), Lithium Ion (Li-Ion), Nickel Zinc (Ni-Zn) and Small Sealed Lead (SSLA/Pb)) typically found in cordless phones, power tools and laptops. Residents may recycle Household Batteries by placing them in a clear, zipper-locked bag and putting the bag into their Recycling Cart.

1.26 Large Green Waste. Oversized Green Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of a Residential Service Unit. Large Green Waste must be generated by and at the Residential Service Unit wherein the Large Green Waste is Collected.

1.27 Large Items. Those materials including, but not limited to, furniture, carpets, mattresses, White Goods, Brown Goods, Electronic Waste (E-Waste), Universal Waste (U-Waste), clothing, tires, Large Green Waste, or some combination of such items in a container the dimensions and weight of which container does not exceed four feet by four feet by two feet (4'x4'x2') and sixty (60) pounds, which are attributed to the normal activities of a Residential Service Unit. Large Items must be generated by and at the Residential Service Unit wherein the Large Items are Collected. Large Items do not include items herein defined as Exempt Waste.

1.28 Large Item Collection Service. The periodic on-call Collection of Large Items, by the CONTRACTOR, from Residential Service Units in the Service Area, and the delivery of those Large Items to a Disposal Facility, Materials Recycling Facility or such other facility as may be appropriate under the terms of this Contract. Large Item Collection Service does not include the Collection of Large Items through the use of Roll-Off Containers.

1.29 Materials Recycling Facility (MRF). Any facility designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing Recyclable Materials for sale.

1.30 Non-Collection Notice. A form developed and used by the CONTRACTOR, as approved by the DISTRICT, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for Collection by CONTRACTOR pursuant to this Contract.

1.31 Rebuilt Vehicle. For purposes of this Contract, "rebuilt" means, at a minimum, replacement of worn parts and reconditioning or replacement of hydraulic systems, transmissions, differentials, electrical systems, engines, and brake systems. In addition, the Rebuilt Vehicle must be repainted and its tires must have at least eighty-five percent (85%) of tread remaining.

1.32 Recyclable Materials. Those materials which are capable of being recycled and which would otherwise be processed or disposed of as Residential Solid Waste. These materials will be as defined by the DISTRICT from time to time. Recyclable Materials currently being Collected include: newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paperboard, paper egg cartons, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; mixed plastics such as plastic bags, plastic film, plastic containers (1-7), and bottles including containers made of HDPE, LDPE, PET, or PVC; aseptic containers; and polystyrene.

1.33 Recycling Cart. A heavy plastic receptacle with a rated capacity of not less than sixty four (64) gallons and not more than ninety six (96) gallons, for use by Service Recipients for Residential Recycling Collection Service under this Contract. Recycling Carts must meet the minimum specifications set forth in Exhibit 4 to this Contract.

1.34 Residential Collection Service. Residential Solid Waste Collection Service, Residential Recycling Collection Service, Green Waste Collection Service, Large Item Collection Service, and Residential Used Oil Collection Service.

1.35 Residential Recycling Collection Service. The Collection of Recyclable Materials, Cellular Phones, and Household Batteries by the CONTRACTOR from Residential Service Units in the Service Area and the delivery of those Recyclable Materials to a Materials Recycling Facility.

1.36 Residential Service Unit. Any Dwelling Unit in the Service Area utilizing a Garbage Cart, or any combination of Dwelling Units sharing Garbage Carts, for the accumulation and set out of Residential Solid Waste.

1.37 Residential Solid Waste. Garbage and Rubbish resulting from the normal activities of a Residential Service Unit. Residential Solid Waste must be generated by and at the Residential Service Unit wherein the Residential Solid Waste is collected and does not include items defined herein as Exempt Waste.

1.38 Residential Solid Waste Collection Service. The Collection of Residential Solid Waste, by the CONTRACTOR, from Residential Service Units in the Service Area and the delivery of that Residential Solid Waste to a Disposal Facility.

1.39 Residential Used Cooking Oil Collection Service. The Collection of Used Cooking Oil in Used Cooking Oil Containers, by the CONTRACTOR, from all Residential Service Units in the Service Area utilizing Used Cooking Oil Containers for the accumulation and set-out of Used Cooking Oil and the appropriate disposition of the Used Cooking Oil in accordance with the requirements of this Contract.

1.40 Residential Used Motor Oil Collection Service. The Collection of Used Motor Oil in Used Motor Oil Containers and Used Motor Oil Filters in Used Motor Oil Filter Containers, by the CONTRACTOR, from all Residential Service Units in the Service Area utilizing Used Motor Oil and Filter Containers for the accumulation and set-out of Used Motor Oil and Used Motor Oil Filters and the appropriate disposition of the Used Motor Oil and Used Motor Oil Filters in accordance with the requirements of this Contract.

1.41 Residential Waste. Residential Solid Waste, Green Waste, Large Items, Household Batteries, Cellular Phones, Used Cooking Oil, Used Motor Oil, and Used Motor Oil Filters resulting from the normal activities of a Residential Service Unit. Residential Waste must be generated by and at the Residential Service Unit wherein the Residential Waste is Collected and does not include items defined herein as Exempt Waste.

1.42 Roll-Off Collection Service. The Collection of Roll-Off Containers containing Construction and Demolition Debris.

1.43 Roll-Off Container. A metal container with a capacity of twenty (20) or more cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.

1.44 Rubbish. All refuse, accumulation of paper, excelsior, rags, wooden boxes and containers, sweep-ups and all other accumulations of a nature other than Garbage and Green

Waste, resulting from the normal activities of a Residential Service Unit. Rubbish must be generated by and at the Residential Service Unit wherein the Rubbish is Collected. Rubbish does not include items herein defined as Exempt Waste.

1.45 Service Area. The area within the Rancho Murieta Community Services DISTRICT.

1.46 Service Recipient. An individual receiving Collection Services.

1.47 Sludge. The accumulated solids, residues, and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal objects or any other such waste having similar characteristics or effects.

1.48 Stable Matter. Manure and other waste matter normally accumulated in stables or in livestock or poultry enclosures.

1.49 Universal Waste (U-Waste). Products at the end of their useful life such as; household batteries, mercury-containing thermostats, lamps (i.e. fluorescent, high intensity discharge, neon, mercury vapor, high pressure sodium, and metal halide lamps), cathode ray tube (CRT) devices (i.e. televisions, computer monitors).

1.50 Used Cooking Oil. Any cooking oil that has been produced for food preparation and consumption purposes, and is no longer useful to the Service Recipient because of use, extended storage, or spillage. Used Oil must be generated by and at the Residential Service Unit wherein the Used Cooking Oil is collected. Used Cooking Oil shall not contain water, soapsuds, and/or food debris.

1.51 Used Cooking Oil Container. A plain co-poly container provided by the CONTRACTOR for the accumulation of Used Cooking Oil that is at least four (4) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Cooking Oil Container.

1.52 Used Motor Oil. Any oil that has been refined from crude oil or has been synthetically produced, and is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Motor Oil must be generated by and at the Residential Service Unit wherein the Used Motor Oil is collected. Used Motor Oil does not include transmission fluid.

1.53 Used Motor Oil Container. A plain co-poly container provided by the CONTRACTOR for the accumulation of Used Motor Oil that is at least four (4) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Motor Oil Container.

1.54 Used Motor Oil Filter. Any oil filter that is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water, or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Motor Oil Filters must be generated by and at the Residential Service Unit wherein the Used Motor Oil Filter is Collected.

1.55 Used Motor Oil Filter Container. A six (6) mil poly bag with double track seal with dimensions of at least fourteen and one-half (14.5) inches by eight (8) inches with a one and one-quarter (1¼) inch diameter hole above the seal, provided by the CONTRACTOR for the accumulation of Used Motor Oil Filters that has a label designating it for use as a Used Motor Oil Filter Container.

1.56 White Goods. Inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.57 Work Day. Any day, Monday through Friday that is not a holiday as set forth in Section 3.07 of this Contract, and is consistent with the Hours and Day of Collection as set forth on Section 7.04 of this Contract.

Article 2. Term of Contract

2.01 Amended Term. The term of this Contract, as amended, shall be for a period beginning July 1, 2013 and terminating on October 31, 2025, provided, however, that the CONTRACTOR shall be bound by, and fulfill all terms of, the original Contract between the parties dated August 24, 2005 until July 1, 2013.

2.02 Extension of Term. On or before January 1, 2024 provided the DISTRICT Manager determines that the CONTRACTOR has met the minimum performance and diversion requirements, as set forth in Article 9, the DISTRICT may offer the CONTRACTOR in writing a ten (10) year extension of this Contract. CONTRACTOR shall provide written notice to the DISTRICT as to whether CONTRACTOR accepts or rejects the DISTRICT' offer within twenty (20) Work Days of the date of the offer. If CONTRACTOR fails to provide such notice to the DISTRICT within said twenty (20) Work Days, the DISTRICT'S offer shall be deemed withdrawn and the DISTRICT shall have no obligation to extend the term of this Contract beyond October 31, 2015. If the term of this Contract is extended, the compensation provisions of Article 4 shall not be subject to negotiation. However, the compensation payable to CONTRACTOR shall be adjusted annually throughout the extended term as provided in Article 4.

2.03 Voiding of Extensions. In the event CONTRACTOR fails to meet the minimum service and diversion requirements set forth in Article 9, CONTRACTOR understands and agrees that the service extension set forth in Section 2.02 above is voided and that this Contract shall terminate on October 31, 2025 set forth in Section 2.01 of this Contract.

2.04 Other Provisions. The DISTRICT may, at the end of the Contract term or optional extended term, as appropriate, either renegotiate the terms and conditions of the Contract with the current CONTRACTOR or request proposals from qualified contractors to provide Collection Services.

Article 3. Services Provided by the Contractor

3.01 Grant of Exclusive Contract. Except as otherwise provided in this Contract, the CONTRACTOR is herein granted an exclusive Contract to provide Collection Services within the Service Area. No other solid waste or recycling services, including Roll-Off Collection Services, shall be exclusive to the CONTRACTOR.

3.02 Sale or Donation of Recyclable Materials by Service Recipients. Nothing in this Contract shall preclude a Service Recipient from transporting and selling or donating their Recyclable Materials to a private or public entity provided that such entity does not charge the Service Recipient a fee or service charge of any type related to the sale or donation of the Recyclable Material.

3.03 Responsibility for Billing and Collection. The DISTRICT shall be responsible for the billing and collection of payments for Collection Services within the Service Area.

3.04 DISTRICT'S Payment to CONTRACTOR. DISTRICT shall make payment to the CONTRACTOR of the Service fee as specified in this Section 3.05. Payment to the CONTRACTOR shall be due on the twentieth (20th) day of the month following the month the revenues are collected. Payment to CONTRACTOR shall be equal to the current amount billed by DISTRICT for services provided by CONTRACTOR, less any Administrative Charges levied against CONTRACTOR. DISTRICT may deduct any Administrative Charges levied against CONTRACTOR as specified in Article 17 from the payments due to the CONTRACTOR.

3.05 Service Standards. CONTRACTOR shall perform all Collection Services under this Contract in a thorough and professional manner. Collection Services described in this Contract shall be performed regardless of weather conditions or difficulty of Collection.

3.06 Labor and Equipment. CONTRACTOR shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of CONTRACTOR'S obligations under this Contract. CONTRACTOR shall at all times have sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this Contract. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by the DISTRICT or by any Service Recipient except as expressly provided by this Contract.

3.07 Holiday Service. The DISTRICT observes Thanksgiving Day, December 25th, January 1st, and July 4th as legal holidays. CONTRACTOR shall not be required to provide Collection Services or maintain office hours on the designated holidays. In any week in which

one of these holidays falls on a Work Day, Residential Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Thursday Collection Services being performed on Friday.

3.08 Inspections. The DISTRICT shall have the right to inspect the CONTRACTOR'S facilities or Collection vehicles and their contents at any time while operating inside or outside the DISTRICT.

3.09 Commingling of Materials.

3.09.1 Residential Waste and Recyclable Material. CONTRACTOR shall not at any time commingle Residential Waste Collected pursuant to this Contract, with any Recyclable Material separated for Collection pursuant to this Contract, without the express prior written authorization of the Contract Administrator.

3.09.2 Residential Waste Collected in the DISTRICT. CONTRACTOR shall not at any time commingle any Residential Waste, Collected pursuant to this Contract, with any other material Collected by CONTRACTOR inside or outside the Rancho Murieta Community Services DISTRICT, without the express prior written authorization of the Contract Administrator.

3.09.3 Recyclable Materials. CONTRACTOR shall not at any time commingle Recyclable Materials Collected pursuant to this Contract, with any other material Collected by CONTRACTOR inside or outside the DISTRICT, without the express prior written authorization of the Contract Administrator.

3.10 Spillage and Litter. The CONTRACTOR shall not litter premises in the process of providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall transport all materials Collected under the terms of this Contract in such a manner as to prevent the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential Waste, or Recyclable Materials and shall immediately, at the time of occurrence, clean up such spilled or dropped Residential Waste, or Recyclable Materials.

3.10.1 The CONTRACTOR shall not be responsible for cleaning up unsanitary conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR shall clean up any materials or residue that are spilled or scattered by the CONTRACTOR or its employees.

3.10.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the CONTRACTOR'S operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface. When necessary, CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning.

3.10.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the DISTRICT.

3.10.4 To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.11 Ownership of Materials.

3.11.1 Title to Residential Waste, and Recyclable Materials shall pass to CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S Collection vehicle.

3.12 Household Hazardous Waste (HHW) Events. CONTRACTOR shall provide solid waste and recycling collection services annually as requested by DISTRICT for their HHW collection event. Services shall be provided in such a manner that all solid waste and recycling needs of the event are adequately and properly provided for by CONTRACTOR at no cost of any kind to DISTRICT.

3.13 Collection at DISTRICT Administrative Facility. CONTRACTOR, at no charge to DISTRICT will provide the solid waste and recycling Collection Services at DISTRICT administrative facility. Current service includes four (4) cubic yards of solid waste and four (4) cubic yards of recycling, each collected weekly. In addition, DISTRICT can increase the Collection capacity at this facility at any point during the term of the Agreement, not to exceed two (2) times the current service.

Article 4. Charges and Rates

4.01 Collection Services. The DISTRICT shall be responsible for the billing and collection of payments for all Collection Services. The CONTRACTOR shall charge the DISTRICT the Collection Service Rates established in Exhibit 1, which is attached to and included in this Contract, and as may be adjusted under the terms of this Contract.

4.01.1 Partial Month Service. If, during a month, a Residential Service Unit is added to or deleted from CONTRACTOR'S Service Area, the CONTRACTOR'S billing to the DISTRICT shall be pro-rated by dividing the appropriate monthly Collection Service Rate established in Exhibit 1 by four (4) and multiplying the result by the number of actual weeks in the month that service was provided to the Residential Service Unit.

4.01.2 Production of Invoices. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the Contract Administrator, for services received under this Contract each month, twelve (12) times per year. The CONTRACTOR'S invoice shall be submitted to the DISTRICT no later than the tenth (10th) day of the month following the period for which the service is being billed. At a minimum, CONTRACTOR'S invoice shall include the name and address of each serviced account broken down by the size of the garbage cart size,

any changes in services, and any additional services that were provided. CONTRACTOR invoices shall be provided in written form and in electronic format compatible to the DISTRICT'S billing system.

4.02 Service Rate Elements. Collection Service Rates shall consist of some combination of the following elements; a *Collection Element* and a *Disposal Element*.

4.03 Adjustments to Collection Service Rate Elements.

4.03.1 Adjustments to Collection Elements Using the Refuse Rate Index (RRI). Beginning on July 1, 2007, and annually thereafter, CONTRACTOR shall, subject to compliance with all provisions of this Article, receive an annual adjustment in the following *Collection Elements* of the Collection Service Rates as set forth in Exhibit 1 to this Contract:

4.03.1.1.1. Residential Collection Service. *Collection Elements* on lines A5, B2, D5, and E2 of the Contractor Service Rates in Exhibit 1.

4.03.1.1.2. Emergency Services. Hourly Rates on the Contractor Service Rates in Exhibit 1.

4.03.2 RRI Adjustment. Beginning on July 1, 2013, and annually thereafter during the term of this Contract, the *Collection Elements* of the Collection Service Rates set forth in Section 4.03.1 above shall be adjusted by the modified RRI adjustment set forth below. In any year that the calculation of the RRI results in a negative number, there shall be no adjustment of those *Collection Elements*. Instead, the negative RRI number shall be added to the result of the subsequent years RRI calculation and the result shall be the RRI adjustment for that subsequent year.

4.03.3 The RRI adjustment shall be the sum of the weighted percentage change in the Annual Average of each RRI index number between the base fiscal year, which shall be the prior preceding calendar year ending December 31st and the preceding calendar year ending December 31st, as contained in the most recent release of the source documents listed in Exhibit 2, ("REFUSE RATE INDEX") which is attached to and included in this Contract. Therefore, the first *Collection Element* rate adjustment will be based on the percentage changes between the Annual Average of the RRI indices for the year ended December 31, 2012 and the Annual Average of the RRI indices for the year ended December 31, 2013. The RRI shall be calculated using the RRI Rate Model included in Exhibit 2.

4.03.4 Annual Collection Element Rate Adjustment. The annual *Collection Element* rate adjustment shall be calculated by multiplying the RRI adjustment, as calculated in Section 4.03.3 above, by the diversion adjustment as set forth in Section 4.03.4 above.

4.03.5 Financial Information. On or before March 1, 2014, and annually thereafter during the term of this Contract, CONTRACTOR shall deliver to the DISTRICT

financial information for the specific services performed under this Contract for the preceding Contract Year. Such financial information shall be in the format as set forth in Exhibit 2, or as may be further revised by the DISTRICT from time to time. If CONTRACTOR fails to submit the financial information in the required format by March 1st, it is agreed that CONTRACTOR shall be deemed to have waived the RRI rate adjustment for that year. CONTRACTOR'S failure to provide the financial information shall not preclude the DISTRICT from calculating the RRI using the prior year's financial data, or pro forma data if no prior year financial data is available, if that calculation would result in a negative RRI number.

4.03.6 Diversion Data. On or before March 1, 2014, and annually thereafter during the term of this Contract, CONTRACTOR shall deliver to the DISTRICT diversion data for the specific services performed under this Contract in the format specified by the DISTRICT. If CONTRACTOR fails to submit the diversion data in the required format by March 1st, it is agreed that CONTRACTOR shall be deemed to have waived the *Collection Element* rate adjustment for that year.

4.03.7 Annual adjustments shall be made only in units of one cent (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making adjustments. The indices shall be truncated at four (4) decimal places for the adjustment calculations.

4.03.8 If CONTRACTOR'S failure to submit the financial information required under Section 4.03.5 or the diversion data required under Section 4.03.6 is the result of extraordinary or unusual circumstances as demonstrated by CONTRACTOR to the satisfaction of the DISTRICT'S Contract Administrator, the DISTRICT, at its sole discretion, may consider the request for the annual rate adjustment.

4.03.9 As of March 15, 2014, and annually thereafter during the term of this Contract, the Contract Administrator shall notify CONTRACTOR of the *Collection Element* adjustment to the affected Collection Service Rates to take place on the subsequent July 1st.

4.04 Adjustments to Disposal Elements.

4.04.1 Residential Collection Service. The *Disposal Elements* for Residential Solid Waste Collection Service, and Additional Large Item Collection Service are based on the tipping fee per ton and the "Monthly Unit Generation Factors" set forth on lines A4 and D4 of Collection Service Rates in Exhibit 1.

4.04.2 Tip Fee Changes. Any approved change in the per ton tipping fees, as set forth in Section 4.05, will result in a corresponding change in the appropriate *Disposal Element* as set forth below. The change in the *Disposal Element* in any Contract Year shall be limited to the lesser of three percent (3%) or the amount calculated as set forth in the following formula.

(The new tipping fee x the “Monthly Unit Solid Waste Generation Factor”, “Monthly Unit Large Item Generation Factor”, or “Cubic Yard Large Item Generation Factor” as appropriate).

Will equal: the Residential Solid Waste Collection Service, Large Item Collection Service, or Additional Large Item Collection Service *Disposal Element*, as appropriate.

4.05 Disposal Element Rate Adjustment. *Disposal Element* adjustments shall take place at the same time as the *Collection Element* adjustments. Therefore the CONTRACTOR shall be eligible to request an initial *Disposal Element* adjustment on July 1, 2014 and annually thereafter. The *Disposal Element* adjustment shall include a calculation of the retroactive portion of the adjustment to reflect per ton disposal cost changes that may have been incurred by CONTRACTOR during the period July 1 thru June 30 of the current contract year, that were not included in the prior *Disposal Element* adjustment.

4.05.1 Disposal Element Rate Adjustment Documentation. In order for the CONTRACTOR to receive a *Disposal Element* adjustment based on a change in the appropriate tipping fee per ton, the CONTRACTOR must provide, in a manner that is acceptable to the DISTRICT, evidence of the change in the tipping fee. The DISTRICT may request from the CONTRACTOR such further information as may be reasonably necessary in making its determination. The DISTRICT shall approve or deny the request, in whole or in part, within sixty (60) days of receipt of the request and all other additional information required by the DISTRICT. However, *Disposal Element* adjustments shall be effective on July 1st following such approval.

4.06 Adjustments to Generation Factors.

4.06.1 In the event of a change in law or solid waste or recycling program that has the potential to materially affect the “Per Unit Generation Factors” as set forth by the CONTRACTOR in Collection Service Rates of Exhibit 1, the DISTRICT and the CONTRACTOR agree that a generation study will be performed at the request of the DISTRICT with the cooperation of the CONTRACTOR. The study will be funded equally by the DISTRICT and the CONTRACTOR. The generation study will be designed to establish an updated “Monthly Per Unit Solid Waste Generation Factor”, and “Per Unit Large Item Generation Factor”. The CONTRACTOR shall cooperate fully with the DISTRICT related to the performance and completion of the generation study.

Article 5. Diversion Requirements

5.01 Minimum Requirements. The DISTRICT requires the CONTRACTOR to achieve a minimum annual diversion rate of fifty percent (50%) for each Contract Year. The annual diversion rate will be calculated as “the tons of materials Collected from the provision of

Collection Services that are sold or delivered to a recycler or reuser, as required by this Contract, divided by the total tons of materials Collected in the Contract Year.”

5.02 Failure to Meet Minimum Requirements. CONTRACTOR’S failure to meet the minimum diversion requirements set forth above in Section 5.01 may result in the termination of this Contract or the imposition of administrative charges.

Article 6. Residential Service Units

6.01 Residential Service Units. Residential Service Units shall include all premises which are in the Service Area as of July 1, 2013, and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Contract during the term of this Contract:

6.01.1 Any question as to whether a premises falls within this category shall be determined by the Contract Administrator and the determination of the Contract Administrator shall be final.

6.02 Residential Service Unit Changes. The DISTRICT and CONTRACTOR acknowledge that during the term of this Contract it may be necessary or desirable to add or delete Residential Service Units for which CONTRACTOR will provide Service.

6.02.1 Additions and Deletions. CONTRACTOR shall provide services described in this Contract to new Residential Service Units in CONTRACTOR’S Service Area within five (5) Work Days of receipt of notice from the Residential Service Unit to begin such Service.

6.03 Annexation. If during the term of the Contract, additional territory is acquired by the DISTRICT through annexation, CONTRACTOR agrees to provide Collection Services in such annexed area in accordance with the provisions and Collection Service Rates set forth in this Contract. Such Collection Services shall begin within five (5) Work Days of receipt of written notice from the DISTRICT. CONTRACTOR shall not begin Collection Service without written authorization from the DISTRICT.

6.04 Route Map Update. CONTRACTOR shall revise the Residential Service Unit route maps to show the addition of Residential Service Units added due to annexation and shall provide such revised maps to the Contract Administrator as requested. CONTRACTOR shall provide revised maps both in written form and electronic format in a manner approved by the DISTRICT.

Article 7. Residential Collection Service

7.01 Residential Collection Service. These services shall be governed by the following terms and conditions:

7.01.1 Conditions of Service. The CONTRACTOR shall provide Residential Collection Service to all Residential Service Units in the Service Area whose; Residential Solid Waste is properly containerized in Garbage Carts, Recyclable Materials are properly containerized in Recycling Carts, except as set forth in Section 7.06.1, and Green Waste is properly containerized in Green Waste Carts, except as set forth in Section 7.07.1 and 7.07.2, where the Garbage, Recycling and Green Waste Carts have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.02 On-Premises Service. Notwithstanding any term or definition set forth in this Contract, CONTRACTOR shall provide on-premises Collection of Residential Solid Waste, Recyclable Materials, and Green Waste to a Residential Service Unit if a request for on-premises service has been made to, and approved by, the Contract Administrator in the manner required by the DISTRICT. The Contract Administrator shall notify the CONTRACTOR in writing of any Residential Service Units requiring on-premises service along with the date such service is to begin. No additional monies shall be due to the CONTRACTOR for the provision of on-premises service.

7.02.1 Collection Day. CONTRACTOR shall provide on-premises Collection Service on the same Work Day that curbside Collection Service would otherwise be provided to the Residential Service Unit.

Frequency and Scheduling of Service. Except as set forth in Sections 7.10 and 7.12, Residential Solid Waste Collection Service shall be provided one (1) time per week on a scheduled route basis. Residential Recycling Collection Service, including Residential Used Cooking Oil Collection Service and Used Motor Oil Collection Service, and Green Waste Collection Service shall be provided one (1) time every other week on an alternating basis and shall be scheduled so that a Residential Service Unit receives Residential Solid Waste Collection Service, and Residential Recycling Collection Service, including Residential Used Cooking Oil Collection Service and Used Motor Oil Collection Service, or Green Waste Collection Service on the same Work Day.

7.03 Hours and Days of Collection. Residential Collection Service shall be provided, commencing no earlier than 7:00 a.m. and terminating no later than 5:00 p.m., Tuesday through Thursday with no service on Saturday or Sunday. The hours, days, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the Contract Administrator.

7.04 Manner of Collection. The CONTRACTOR shall provide Residential Collection Service with as little disturbance as possible and shall leave any Garbage, Recycling or Green

Waste Cart in an upright position with the lid closed at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

7.04.1 CONTRACTOR'S employees providing Residential Collection Service shall follow the regular walk for pedestrians while on private property and shall not trespass nor cross property to the adjoining premises unless the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings.

7.04.2 Purchase and Distribution of Garbage, Recycling and Green Waste Carts.
The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional Garbage, Recycling and Green Waste Carts to Residential Service Units in the Service Area. The size and number of carts to be distributed will be as requested by Service Recipient. Residential Service Units shall be provided with one (1) Garbage Cart, One (1) Recycling Cart and up to two (2) Green Waste Carts.

7.04.3 Replacement of Garbage, Recycling and Green Waste Carts.
CONTRACTOR'S employees shall take care to prevent damage to carts by unnecessary rough treatment. However, any cart damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the CONTRACTOR'S expense, within five (5) Work Days at no cost or inconvenience to the Service Recipient.

7.04.3.1.1. Upon notification to the CONTRACTOR by the Service Recipient that the Service Recipient's Garbage, Recycling or Green Waste Cart(s) has been stolen or damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver a replacement cart(s) to such Service Recipient within five (5) Work Days. The CONTRACTOR shall maintain records documenting all cart replacements occurring on a monthly basis.

7.04.3.1.2. Each Service Recipient shall be entitled to the replacement of one (1) lost, destroyed, or stolen Garbage Cart, one (1) lost, destroyed, or stolen Recycling Cart, and one (1) lost, destroyed, or stolen Green Waste Cart during the term of this Contract at no cost to the Service Recipient. Except in the case of a cart that must be replaced because of damage caused by CONTRACTOR or in the case where CONTRACTOR elects to replace a cart rather than repair it on-site, CONTRACTOR shall be compensated for the cost of those replacements in excess of one (1) per type of cart per Service Recipient during the term of the Contract, in accordance with the "Cart Exchange" Service Rate set forth in Exhibit 1, or as may be adjusted under the terms of this Contract.

7.04.3.1.3. CONTRACTOR understands and agrees that this provision is intended to be applied on a per cart type, Service Recipient basis and

accordingly each Service Recipient could receive up to three (3) replacement carts, one (1) of each type, during the life of the Contract.

7.04.4 Repair of Garbage, Recycling and Green Waste Carts. CONTRACTOR shall be responsible for repair of carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within five (5) Work Days of notification by the DISTRICT or a Service Recipient of the need for such repairs, the CONTRACTOR shall repair the cart or if necessary, remove the cart for repairs and deliver a replacement cart to the Service Recipient.

7.04.5 Cart Exchange. Upon notification to the CONTRACTOR by the DISTRICT or a Service Recipient that a change in the size of a Garbage, Recycling or Green Waste Cart is required, or that the Service Recipient requires a second Green Waste Cart, the CONTRACTOR shall deliver such Cart to such Service Recipient within five (5) Work Days. Each Residential Service Unit shall be eligible to receive one (1) free Garbage, Recycling and Green Waste Cart exchange per Contract Year during the term of this Contract and one free delivery of a second Green Waste Cart during the term of this Contract. Accordingly CONTRACTOR shall be compensated for the cost of those exchanges in excess of one (1) per cart type per Contract Year, in accordance with the "Cart Exchange" service rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

7.04.6 Ownership of Garbage, Recycling and Green Waste Carts. Ownership of Garbage, Recycling and Green Waste Carts shall rest with the CONTRACTOR, except that ownership of Garbage, Recycling and Green Waste Carts in the possession of a Service Recipient at the end of this Contract shall rest with the DISTRICT.

7.05 Residential Solid Waste Collection Service. This service will be governed by the following terms and conditions:

7.05.1 Non-Collection. CONTRACTOR shall not be required to Collect any Residential Solid Waste that is not placed in a Garbage Cart. In the event of non-collection, CONTRACTOR shall affix to the Garbage Cart a Non-Collection Notice explaining why Collection was not made. CONTRACTOR shall maintain a copy of such notices during the term of this Contract.

7.05.2 Disposal Facility. Except as set forth below, all Residential Solid Waste Collected as a result of performing Residential Solid Waste Collection Service shall be transported to, and disposed of, at the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, the CONTRACTOR shall transport and dispose of the Residential Solid Waste at such other legally permitted disposal facility as designated in writing by the DISTRICT. Failure to comply with this provision shall result in the levy of an administrative charge as specified in Article 17 of this Contract and may result in the CONTRACTOR being in default under this Contract.

7.06 Residential Recycling Service. This service will be governed by the following terms and conditions:

7.06.1 Overages. Corrugated cardboard that will not fit inside the Recycling Cart may be placed beside the Recycling Cart.

7.06.2 Recycling - Improper Procedure. Except as set forth below in this Section 7.07.2, the CONTRACTOR shall not be required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Residential Solid Waste. If Recyclable Materials are contaminated through commingling with Residential Solid Waste, the CONTRACTOR shall, if practical, separate the Residential Solid Waste from the Recyclable Materials. The Recyclable Materials shall then be Collected and the Residential Solid Waste shall be left in the Recycling Cart along with a Non-Collection Notice explaining why the Residential Solid Waste is not considered a Recyclable Material. However, in the event the Recyclable Materials and Residential Solid Waste are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the Residential Solid Waste renders the entire Recycling Cart contaminated, the CONTRACTOR will leave the Recycling Cart unemptied along with a Non-Collection Notice that contains instructions on the proper procedures for setting out Recyclable Materials.

7.06.3 Material Recycling Facility. All Recyclable Materials Collected as a result of performing Recycling Services shall be delivered to the Material Recycling Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in Article 17 of this Contract and may result in the CONTRACTOR being in default under this Contract.

7.06.4 Recycling - Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into an Contract amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

7.07 Green Waste Collection Service. This service will be governed by the following terms and conditions:

7.07.1 Leaf Collection. During the four (4) month period beginning December 1, 2013, and ending March 31, 2014 and annually thereafter during the term of this Contract, Service Recipients may place unlimited amounts of leaves at the curb alongside their Green Waste Cart as part of Green Waste Collection Service. The leaves shall be placed in plastic lawn and leaf bags and closed in such a manner as to contain the leaves during Collection. Leaves must be generated by and at the Residential Service Unit wherein the leaves are

collected. During this period, CONTRACTOR shall Collect and dispose of all leaves that are properly bagged and placed at the curb at no additional charge to the Service Recipient.

7.07.2 Christmas Tree Collection. The CONTRACTOR shall Collect Christmas Trees set out at the curb for Collection during the three week period beginning December 26, 2013 and annually thereafter during the term of this Contract. CONTRACTOR shall deliver the Collected Christmas Trees to an appropriate facility for processing. This annual service shall be provided at no additional charge to the Service Recipient.

7.07.3 Non-Collection. Except as set forth in Sections 7.08.1 and 7.08.2 above, CONTRACTOR shall not be required to collect any Green Waste that is not placed in a Green Waste Cart. Furthermore, CONTRACTOR shall not be required to Collect any Green Waste bags, as set forth in Section 7.08.1, that contain any material other than leaves. In the event of non-collection, CONTRACTOR shall affix to the Green Waste Cart or bags a Non-Collection Notice explaining why Collection was not made. CONTRACTOR shall maintain a copy of such notices during the term of this Contract

7.08 Green Waste Processing Services. CONTRACTOR shall ensure that all Green Waste Collected pursuant to this Contract is diverted from the landfill in accordance with AB 939 and subsequent legislation and regulations.

7.08.1 CONTRACTOR shall ensure that the Green Waste Collected pursuant to this Contract is not disposed of in a landfill, except as a residue resulting from processing.

7.08.2 Green Waste Processing Facility. CONTRACTOR shall deliver all Collected Green Waste to a fully permitted Green Waste Processing Facility or a fully permitted transfer station. All expenses related to Green Waste processing and marketing will be the sole responsibility of CONTRACTOR.

7.09 Large Item Collection Service. This service will be governed by the following terms and conditions:

7.09.1 Conditions of Service. The CONTRACTOR shall provide Large Item Collection Service to all Residential Service Units in the Service Area whose Large Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle. The Service Recipient shall be limited to six (6) cubic yards per Collection. Accordingly CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of this limitation in accordance with the "Additional Large Item Collection" Service Rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract. Each Residential Service Unit in the Service Area shall be entitled to receive Residential Large Item Collection Service up to four (4) times per Contract Year.

7.09.2 Frequency of Service. Large Item Collection Service shall be provided on the Service Recipient's regularly scheduled service day. The Service Recipient shall not intentionally commingle residential Large Items with other Residential Waste.

7.09.3 Large Items Containing Freon. In the event CONTRACTOR Collects Large Items that contain Freon, CONTRACTOR shall handle such Large Items in a manner such that the Large Items are not subject to regulation as hazardous waste under applicable state and federal laws or regulations.

7.09.4 Maximum Reuse and Recycling. CONTRACTOR shall dispose of Large Items Collected from Residential Service Units pursuant to this Contract in accordance with the following hierarchy:

- 7.09.4.1 Reuse as is (where energy efficiency is not compromised)
- 7.09.4.1.1. Disassemble for reuse or Recycling
- 7.09.4.1.2. Recycle
- 7.09.4.1.3. Disposal

7.09.5 CONTRACTOR shall not landfill such Large Items unless the Large Items cannot be reused or recycled.

7.09.6 DISTRICT Direction of Large Items. The DISTRICT reserves the right to direct CONTRACTOR to take Large Items Collected pursuant to this Section 7.10 to a designated site or sites within Sacramento County for the purpose of permitting persons who will reuse or recycle such Large Items to obtain the Large Items at no cost. CONTRACTOR shall have no obligation to dispose of the Large Items or large Item residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable Large Items.

7.10 Residential Used Motor Oil Collection Service. This service will be governed by the following terms and conditions:

7.10.1 Conditions of Service. In conjunction with the provision of Residential Recycling Collection Service, the CONTRACTOR shall provide Residential Used Motor Oil Collection Service to all Residential Service Units in the Service Area utilizing Used Motor Oil Containers for the accumulation and set-out of their Used Motor Oil, and Used Motor Oil Filter Containers for the accumulation and set out of their Used Motor Oil Filters where the Used Motor Oil Containers and Used Motor Oil Filter Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.10.2 Non-Collection. CONTRACTOR shall not be required to collect material placed in Used Motor Oil or Used Motor Oil Filter Containers unless the material is Used Motor Oil or Used Motor Oil Filters, as appropriate, and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the Used Motor Oil or Used Motor Oil Filter. In the event of non-collection, CONTRACTOR shall affix to the Used Motor Oil or Used Motor Oil Filter Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Contract. Prior to the end of the Work Day, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Motor Oil or Filter was placed in an improper container, CONTRACTOR shall also leave Used Motor Oil or Used Motor Oil Filter Containers in a number sufficient to contain the Used Motor Oil or Used Motor Oil Filters set out, but not exceeding a number sufficient to hold sixteen (16) quarts, or two (2) Used Motor Oil Filters along with the Non-Collection Notice.

7.10.3 Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles providing Used Motor Oil Collection Service and shall cleanup any Used Motor Oil that spills during Collection, which has leaked from the Used Motor Oil or Used Motor Oil Filter Container, or which spills or leaks during the time the Used Motor Oil or Used Motor Oil Filter is in the Collection vehicle. CONTRACTOR will not be responsible for any environmental impacts associated with any spills not caused directly by CONTRACTOR.

7.10.4 Used Motor Oil and Used Motor Oil Filter Containers. Within three (3) Work Days of receipt of a verbal, written, or electronic request of the DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the Residential Service Unit where the Service Recipient resides with Used Motor Oil Containers and Used Motor Oil Filter Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Motor Oil and two (2) Used Motor Oil Filters.

7.10.4.1 At the time CONTRACTOR Collects Used Motor Oil from a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Motor Oil Container for each Used Motor Oil Container Collected and one (1) Used Motor Oil Filter Container for each Used Motor Oil Filter Container Collected. CONTRACTOR shall keep the outside of all Used Motor Oil and Used Motor Oil Filter Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

7.10.5 Segregation of Used Oil. CONTRACTOR shall keep all Used Motor Oil and Used Motor Oil Filters Collected pursuant to this Contract segregated from other materials.

7.10.6 Used Oil Processing. CONTRACTOR shall recycle all Used Motor Oil Collected pursuant to this Contract to the extent feasible and shall properly dispose of all Used Motor Oil and Used Motor Oil Filters that are contaminated or otherwise cannot be recycled.

7.10.6.1 CONTRACTOR shall recycle the Used Motor Oil only with persons who are authorized by the State of California to recycle Motor Oil. In the event the Used Motor Oil or Used Motor Oil Filters Collected pursuant to this Contract is contaminated to the extent that the Used Motor Oil or Used Motor Oil Filters require disposal as a Hazardous Waste, CONTRACTOR shall dispose of such Used Motor Oil or Used Motor Oil Filters, at CONTRACTOR'S own cost and expense in accordance with applicable state and federal law.

7.10.6.2 CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any contamination which renders the Used Motor Oil unacceptable for recycling or which requires disposal of the Used Motor Oil or Used Motor Oil Filters as a Hazardous Waste.

7.11 Residential Used Cooking Oil Collection Service. This service will be governed by the following terms and conditions:

7.11.1 Conditions of Service. In conjunction with the provision of Residential Recycling Collection Service, the CONTRACTOR shall provide Residential Used Cooking Oil Collection Service to all Residential Service Units in the Service Area utilizing Used Cooking Oil Containers for the accumulation and set-out of their Used Cooking Oil Containers where the Used Cooking Oil Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.11.2 Non-Collection. CONTRACTOR shall not be required to collect material placed in Used Cooking Oil Containers unless the material is Used Cooking Oil, , and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the Used Cooking Oil. In the event of non-collection, CONTRACTOR shall affix to the Used Cooking Oil Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Contract. Prior to the end of the Work Day, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Cooking Oil was placed in an improper container, CONTRACTOR shall also leave Used Cooking Oil Containers in a number sufficient to contain the Used Cooking Oil set out, but not exceeding a number sufficient to hold sixteen (16) quarts, along with the Non-Collection Notice.

7.11.3 Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles providing Used Cooking Oil Collection Service and shall cleanup any Used Cooking Oil that spills during Collection, which has leaked from the Used Cooking Oil Container, or which spills

or leaks during the time the Used Cooking Oil is in the Collection vehicle. CONTRACTOR will not be responsible for any environmental impacts associated with any spills not caused directly by CONTRACTOR.

7.11.4 Used Cooking Oil Containers. Within three (3) Work Days of receipt of a verbal, written, or electronic request of the DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the Residential Service Unit where the Service Recipient resides with Used Cooking Oil Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Cooking Oil.

7.11.4.1 At the time CONTRACTOR Collects Used Cooking Oil from a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Cooking Oil Container for each Used Oil Container Collected. CONTRACTOR shall keep the outside of all Used Cooking Oil Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

7.11.5 Segregation of Used Cooking Oil. CONTRACTOR shall keep all Used Cooking Oil Collected pursuant to this Contract segregated from other materials.

7.11.6 Used Cooking Oil Processing. CONTRACTOR shall recycle all Used Cooking Oil Collected pursuant to this Contract to the extent feasible and shall properly dispose of all Used Cooking Oil that is contaminated or otherwise cannot be recycled.

7.11.6.1 CONTRACTOR shall recycle the Used Cooking Oil only with persons who are authorized by the State of California to recycle Cooking Oil. CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any contamination which renders the Used Cooking Oil unacceptable for recycling.

Article 8. Collection Routes

8.01 Service Routes. CONTRACTOR shall provide the DISTRICT with maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. CONTRACTOR shall provide maps both in written form and electronic format in a manner approved by the DISTRICT.

8.02 Service Route Changes. The CONTRACTOR shall submit to the DISTRICT, in writing, any proposed route change (including maps thereof) not less than thirty (30) calendar days prior to the proposed date of implementation. The CONTRACTOR shall not implement any route changes without the prior review of the Contract Administrator. If the change will change the Collection day for a Service Recipient, the CONTRACTOR shall notify those Service Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

8.02.1 Collection Route Audits. The DISTRICT reserves the right to conduct audits of CONTRACTOR'S Collection routes. The CONTRACTOR shall cooperate with the DISTRICT in connection therewith, including permitting DISTRICT employees or agents, designated by the Contract Administrator, to ride in the Collection vehicles in order to conduct the audits. The CONTRACTOR shall have no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the Contract Administrator to conduct such audits.

Article 9. Minimum Performance and Diversion Standards

9.01 Contract Extensions. In order to receive the Contract term extension offers set forth in Article 2 of this Contract, the CONTRACTOR must meet or exceed the following annual minimum performance and diversion standards in each Contract Year beginning January 1, 2014; subject to the discretion of the DISTRICT regarding the enforcement of diversion standards.

9.02 Performance Standards. Assessment of administrative charges, as set forth in Article 17 of this Contract of less than \$15,000 in each Contract Year beginning January 1, 2014.

9.03 Minimum Diversion Standards

9.03.1.1 Fifty percent (50%) diversion of all materials Collected under the terms of this Contract in each Contract Year beginning January 1, 2006.

Article 10. Collection Equipment

10.01 Equipment Specifications.

10.01.1 General Provisions. All equipment used by CONTRACTOR in the performance of services under this Contract shall be of high quality. The vehicles shall be designed and operated so as to prevent collected materials from escaping from the vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent collected materials from leaking, blowing or falling from the vehicles. All trucks and containers shall be watertight and shall be operated so that liquids do not spill during Collection or in transit.

10.01.2 All Collection Service vehicles utilized by CONTRACTOR pursuant to this Contract shall provide fully-automated Residential Collection Service except where such service is not feasible because of topographic or other physical factors. Where fully-automated Residential Collection Service is not feasible, CONTRACTOR shall consult with the Contract Administrator regarding the Residential Collection Service equipment to be utilized.

10.01.3 Clean Air Fuel Vehicles. CONTRACTOR Collection vehicles shall comply with all applicable, local, state and federal clean air requirements.

10.02 Lubricants. Except as approved in writing by the Contract Administrator on an individual vehicle basis, CONTRACTOR shall utilize re-refined motor oil and re-refined hydraulic oil in all vehicles used in CONTRACTORS performance of this Contract.

10.02.1 Large Items. Vehicles used for Collection of Large Items shall not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

10.03 Collection Vehicles. CONTRACTOR shall not use any Collection vehicle that is more than ten (10) years old or has more than 250,000 miles unless such vehicle is a Rebuilt Vehicle.

10.03.1 Registration. All vehicles used by CONTRACTOR in providing Collection Services under this Contract, except those vehicles used solely on CONTRACTORS premises, are to be registered with the California Department of Motor Vehicles.

10.03.2 Safety Markings. All Collection equipment used by COLLECTOR shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings shall be subject to the approval of the DISTRICT and shall be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

10.03.3 Vehicle Signage and Painting. Collection vehicles shall be painted and numbered consecutively without repetition and shall have the CONTRACTOR'S name, CONTRACTOR'S customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least four (4) inches high, on each side and the rear of each vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except promotional advertisement of the Recyclable Materials and Green Waste programs. CONTRACTOR shall repaint all vehicles (including vehicles striping) during the term of this Contract on a frequency as necessary to maintain a positive public image as reasonably determined by the Contract Administrator, but not less often than every forty eight (48) months beginning July 1, 2006.

10.04 Collection Vehicle Noise Level. The noise level generated by Collection vehicles using compaction mechanisms during the compaction process shall not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the Collection vehicle measured at an elevation of five (5) feet above ground level using the "A" scale of the standard sound level meter at slow response. If requested, CONTRACTOR shall cause the Collection vehicles to be tested annually during the months of March and April, beginning March of 2006, and shall submit a certificate of testing showing that the vehicles met the requirements of this Article.

10.05 Vehicle Certification. For each Collection vehicle used in the performance of services under this Contract, CONTRACTOR shall obtain a certificate of compliance (smog

check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 et seq.) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 et seq.) and the regulations promulgated thereunder, as applicable to the vehicle. CONTRACTOR shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the Contract Administrator.

10.05.1 CONTRACTOR shall cause each vehicle in CONTRACTOR'S Collection fleet to be tested bi-annually in the California Heavy Duty Inspection Program (BIT) and shall submit written verification to the DISTRICT within ten (10) Work Days of the completion of such test. CONTRACTOR shall not use any vehicle that does not pass such inspection.

10.06 Equipment Maintenance. CONTRACTOR shall maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment shall operate properly and be maintained in a condition satisfactory to the DISTRICT. CONTRACTOR shall wash all Collection vehicles at least once a week.

10.07 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all Collection vehicles. The log shall at all times be accessible to the DISTRICT by physical inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicles CONTRACTOR assigned identification number, date purchased or leased, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

10.07.1 Equipment Inventory. CONTRACTOR shall provide to the DISTRICT an inventory of Collection vehicles and major equipment used by CONTRACTOR for Collection or transportation and performance of services under this Contract. The inventory shall indicate each Collection vehicle by CONTRACTOR assigned identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance and rebuild status. Annually at the request of the Contract Administrator, CONTRACTOR shall submit, either by fax or e-mail, an updated inventory. Each inventory shall also include the tare weight of each vehicle as determined by weighing at a public scale and not at a disposal or other facility scale used by CONTRACTOR. Each vehicle inventory shall be accompanied by a certification signed by CONTRACTOR that all Collection vehicles meet the requirements of this Contract.

10.07.2 Reserve Equipment. The CONTRACTOR shall have available to it, at all times, reserve Collection equipment which can be put into service and operation within one (1) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the CONTRACTOR to perform the contractual duties.

Article 11. Contractor's Office

11.01 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office where DISTRICT and Service Recipient complaints can be received. Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during Collection hours and shall be open during such normal business hours, 7:00 a.m. to 5:00 p.m. on all Work Days. The CONTRACTOR shall provide either a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next Work Day morning. CONTRACTOR shall provide a local phone number or a toll free phone number.

11.01.1 Emergency Contact. The CONTRACTOR shall provide the Contract Administrator with an emergency phone number where the CONTRACTOR can be reached outside of the required office hours.

11.01.2 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability of responding to telephone calls in English and Spanish. CONTRACTOR shall at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

11.01.3 Service Recipient Calls. During office hours, CONTRACTOR shall maintain a telephone answering system capable of accepting at least eight (8) incoming calls at one time. CONTRACTOR shall record all service complaints into a customer service log.

11.01.4 All incoming calls will be answered within 5 rings. Any call "on-hold" in excess of 1.5 minutes shall have the option to remain "on-hold" or to leave a message and receive a call back. CONTRACTOR'S customer service representative shall return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day. CONTRACTOR shall make minimum of three (3) attempts within twenty-four hours of the receipt of the call. If CONTRACTOR is unable to reach the Service Recipient on the next Work Day, the CONTRACTOR shall send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the CONTRACTOR has attempted to return the call.

Article 12. Other Services

12.01 Public Outreach and Education Services. CONTRACTOR, at their own expense, shall prepare, submit and implement an annual (calendar year) Public Education and Outreach Program beyond any provided by the DISTRICT. The proposed action plan must be submitted

annually for DISTRICT approval no later than October 1st. The program must include a minimum of four campaigns per calendar year, designed to increase diversion and resident participation. Campaigns should target certain Recyclable Materials or “problem” areas of the CONTRACTOR'S Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Contract Administrator and CONTRACTOR staff. Additionally, CONTRACTOR shall provide a quarterly article for the DISTRICT to post on their website ‘News & Updates’ tab.

12.02 Annual Collection Service Notice. Each year during the term of this Contract, the CONTRACTOR shall publish and distribute a notice to all Residential Service Units regarding the Residential Collection Service programs. The notice shall contain at a minimum; definitions of the materials to be Collected, procedures for setting out the materials, maps of the Service Area indicating the days when Residential Solid Waste Collection Service, Large Item Collection Service, Residential Used Oil Collection Service, Residential Recycling Collection Service, and Green Waste Collection Service will be provided, and the CONTRACTOR customer service phone number. The notice shall be provided in English, and shall be distributed by the CONTRACTOR no later than October 15, 2005 preceding the Initial Contract Period and no later than Jan. 1st preceding each Contract Year thereafter.

12.03 Programs and Services. CONTRACTOR shall provide additional services and programs as requested by the DISTRICT at a price to be mutually agreed upon between the CONTRACTOR and the Contract Administrator. In the event the CONTRACTOR and the Contract Administrator cannot reach a mutually agreed upon price for the requested service or program, the DISTRICT shall have the right to procure the service of other vendors or contractors to provide the requested service.

12.04 News Media Relations. CONTRACTOR shall notify the Contract Administrator by fax, e-mail or phone of all requests for news media interviews related to the Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient perception of services, CONTRACTOR will discuss CONTRACTOR'S proposed response with the Contract Administrator.

12.04.1 Copies of draft news releases or proposed trade journal articles shall be submitted to the DISTRICT for prior review and approval at least five (5) Work Days in advance of release, except where CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case CONTRACTOR shall submit such materials to the DISTRICT simultaneously with CONTRACTOR'S submittal to such regulatory agency.

12.04.2 Copies of articles resulting from media interviews or news releases shall be provided to the DISTRICT within five (5) Work Days after publication.

Article 13. Emergency Service Provisions

13.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, the Contract Administrator may grant the CONTRACTOR a variance from regular routes and schedules. As soon as practicable after such event, the CONTRACTOR shall advise the Contract Administrator when it is anticipated that normal routes and schedules can be resumed. The Contract Administrator shall make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that the CONTRACTOR hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. The CONTRACTOR shall receive additional compensation, above the normal compensation contained in this Contract, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in this Contract provided the CONTRACTOR has first secured written authorization and approval from the DISTRICT through the Contract Administrator.

Article 14. Record Keeping and Reporting Requirements

14.01 Record Keeping.

14.01.1 Accounting Records. CONTRACTOR shall maintain, separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records, pertaining to service in the District, shall be subject to audit, copy, and inspection. CONTRACTOR shall maintain and preserve all cash, billing and disposal records for a period of not less than three (3) (article 3.9) years following the close of each of the CONTRACTOR'S fiscal years.

14.01.2 Contract Materials Records. CONTRACTOR shall maintain records of the quantities of (i) Residential Waste Collected and disposed under the terms of this Contract, (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed.

14.01.3 Other Records. CONTRACTOR shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 14 or elsewhere in the Contract.

14.02 Annual Reporting.

14.02.1 General. Annual reports shall be submitted no later than April 1 for the previous Contract Year. Annual reports shall be submitted in hard copy, and shall be provided electronically on a CD using software acceptable to the DISTRICT.

14.02.2 Diversion Reports. CONTRACTOR shall prepare annual reports for submittal to the DISTRICT for review and comment, and CONTRACTOR revision as needed.

The DISTRICT shall submit the final report to the Sacramento County, if required. CONTRACTOR shall submit a draft report format to the DISTRICT annually by March 1. CONTRACTOR shall finalize the format in a form approved by the DISTRICT.

14.02.3 DISTRICT Reports. Annual reports to the DISTRICT shall include:

14.02.3.1 Public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services. This report shall discuss the impact of these activities on Recycling program participation and include amounts Collected from Residential Service Units.

14.02.3.2 An analysis of any Recycling and Green Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc) and possible solutions, discussed separately for Residential programs.

14.02.3.3 An electronic listing of all Residential Service Units including service recipient name, and address, billing name and address if different, and container size by service type. This report shall be in a format acceptable to the DISTRICT.

14.03 Additional DISTRICT Report Information to be Submitted as Requested.

14.03.1 the DISTRICT may also require that the annual reports include some or all of the following information and data:

14.03.2 Solid Waste Data.

- The number of Residential Service Units; and
- The number of Carts distributed by size.

14.03.3 Recycling Data.

- Tons Collected daily on average by material type by route for Residential Recycling Collection Service;
- The average participation rates by quarter, relative to the total number of Residential Service Units, and by material type;
- Quarterly totals of Recyclable Materials processed and sold including facility name and location, average price received per ton and total recycling revenue received for the quarter;
- Quantities, if any, by material type, donated or otherwise disbursed without compensation;
- Number of Recycling Carts distributed by size; and
- Quarterly totals and location for residue disposed.

14.03.4 Green Waste Data.

- Average daily tons Collected by route;
- Average daily number of set-outs by route;
- Average participation rates relative to the total number of Residential Service Units in terms of weekly set-out counts;
- Number of Green Waste Carts distributed by size; and
- Totals and location for residue disposed.

14.03.5 Customer Service Log. A copy of the customer service log, including a summary of the type and number of complaints and their resolution. Copies of a written record of all calls related to missed pickups and responses to such calls.

14.03.5.1 A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Service Recipient locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity.

14.03.6 Cart Inventory. An updated complete inventory of Carts by type and size.

14.03.7 Additional Reporting. The CONTRACTOR shall furnish the DISTRICT with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

Article 15. Nondiscrimination

15.01 Nondiscrimination. In the performance of all work and services under this Contract, CONTRACTOR shall not discriminate against any person on the basis of such person's race, sex, color, national origin, religion, marital status or sexual orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

Article 16. Service Inquiries and Complaints

16.01 CONTRACTOR'S Customer Service. All service inquiries and complaints shall be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the complaints during normal business hours. All service complaints will be handled by the CONTRACTOR in a prompt and efficient manner. In the case of a dispute between the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by the Contract Administrator

16.01.1 The CONTRACTOR will utilize the Customer Service Log to maintain a

record of all inquiries and complaints in a manner prescribed by the DISTRICT.

16.01.2 For those complaints related to missed Collections that are received by 1:00 p.m. on a Work Day, the CONTRACTOR will return to the Residential Service Unit address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 3:00 p.m. on a Work Day, the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of carts, the appropriate Sections of this Contract shall apply

16.01.3 CONTRACTOR agrees that it is in the best interest of the DISTRICT that all Residential Waste, Recyclable Materials, and Green Waste be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was missed. However, in the event a Service Recipient requests missed Collection service more than two (2) times in any consecutive two (2) month period the Contract Administrator will work with the CONTRACTOR to determine an appropriate resolution to that situation. In the event the CONTRACTOR believes any complaint to be without merit, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail. The Contract Administrator will investigate all disputed complaints and render a decision.

Article 17. Quality of Performance of Contractor

17.01 Intent. CONTRACTOR acknowledges and agrees that one of the DISTRICT'S primary goals in entering into this Contract is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent possible.

17.02 Service Supervisor. CONTRACTOR shall assign a qualified supervisor to be in charge of the Collection Service within the Service Area and shall provide the name of that person in writing to the Contract Administrator within thirty (30) days of the execution of this Contract, and annually by May 1st of each subsequent Contract Year of the term of this Contract, and any other time the person in that position changes. The supervisor shall be available to the Contract Manager through the use of telecommunication equipment at all times that CONTRACTOR is providing Collection Services in the Service area. In the event the supervisor is unavailable due to illness or vacation, CONTRACTOR shall designate an acceptable substitute who shall be available and who has the authority to act in the same capacity as the supervisor.

17.03 Contract Manager. CONTRACTOR shall designate a Contract Manager and shall provide the name of that person in writing to the DISTRICT within thirty (30) days of the execution of this Contract and annually by May 1st of each subsequent Contract Year of this

Contract and any other time the person in that position changes. The Contract Manager shall be available to the DISTRICT through the use of telecommunications equipment at all times that CONTRACTOR is providing Collection Services in the Service Area. The Contract Manager shall provide the DISTRICT with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

17.04 Administrative Charges. It shall be the duty of CONTRACTOR to perform services under this Contract in such a manner as to implement the goals set forth in Section 17.01 above. In the event CONTRACTOR fails to perform the services set forth in this Contract, the DISTRICT may assess a one hundred dollar (\$100.00) administrative charge against CONTRACTOR for each incident of the following:

Administrative Charges	
a.	Failure or neglect to resolve each complaint within the time set forth in this Contract.
b.	Failure to clean up spillage or litter caused by CONTRACTOR.
c.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel.
d.	Failure to maintain equipment in a clean, safe, and sanitary manner.
e.	Failure to have a vehicle operator properly licensed.
f.	Failure to maintain office hours as required by this Contract.
g.	Failure to maintain or timely submit to the DISTRICT all documents and reports required under the provisions of this Contract.
h.	Failure to properly cover materials in Collection vehicles.
i.	Failure to display CONTRACTOR'S name and customer service phone number on Collection vehicles.
j.	Failure to comply with the hours of operation as required by this Contract.
k.	Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection Service Work Day.
l.	Changing routes without proper notification to the Contract Administrator.
m.	Commingling Residential Solid Waste with Recyclable Materials.

Administrative Charges

n.	Commingling of materials Collected inside and outside the Rancho Murieta Community Services DISTRICT.
o.	Failure to place empty cart in an upright position, with the lid closed as required by this Contract.
p.	Failure to repair or replace damaged carts within the time required by this Contract.
q.	Failure to deliver or exchange carts within the time required by this Contract.
r.	Failure to have CONTRACTOR personnel in proper uniform.
s.	Disposal of Recyclable Materials in the Disposal Facility without first obtaining the required permission of the DISTRICT.
t.	Failure to provide required communications equipment.
u.	Failure to deliver any Collected materials to the Disposal Facility, Materials Recycling Facility, or Green Waste Processing Facility, as appropriate, except as otherwise expressly provided in this Contract.

17.05 Procedure for Review of Administrative Charges. The Contract Administrator may assess administrative charges pursuant to this Article 17 on a monthly basis. At the end of each month during the term of this Contract, the Contract Administrator shall issue a written notice to CONTRACTOR (“Notice of Assessment”) of the administrative charges assessed and the basis for each assessment.

17.05.1 The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, CONTRACTOR provides a written request for a meeting with the Contract Administrator to present evidence that the assessment should not be made.

17.05.2 The Contract Administrator shall schedule a meeting with the CONTRACTOR as soon as reasonably possible after timely receipt of CONTRACTOR’S request.

17.05.3 The Contract Administrator shall review CONTRACTOR’S evidence and render a decision sustaining or reversing the administrative charges as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to CONTRACTOR.

17.05.4 In the event CONTRACTOR does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the Contract Administrator's determination shall be final and the administrative charges shall be due within thirty (30) calendar days of the date of the Notice of Assessment.

17.05.5 The DISTRICT'S assessment or collection of administrative charges shall not prevent the DISTRICT from exercising any other right or remedy, including the right to terminate this Contract, for CONTRACTOR'S failure to perform the work and services in the manner set forth in this Contract.

Article 18. Performance Bond

18.01 Performance Bond. Within ten (10) calendar days from the date the DISTRICT approves this Contract, the CONTRACTOR shall furnish to the DISTRICT, and keep current, a Performance Bond in a form as set forth in Exhibit 3 which is included in and attached to this Contract, for the faithful performance of this Contract and all obligations arising hereunder in an amount as follows:

18.01.1 From July 1, 2013 and so long as this Contract or any extension thereof shall remain in force, the CONTRACTOR shall maintain a performance bond in the amount of fifty thousand dollars (\$50,000).

18.01.1.1 The performance bond shall be executed by a surety company licensed to do business in the State of California; having an "A-" or better rating by A. M. Best or Standard and Poors; and included on the list of surety companies approved by the Treasurer of the United States.

18.01.2 Letter of Credit. As an alternative to the performance bond required by this Section 18.01, at the DISTRICT'S option, CONTRACTOR may deposit with the DISTRICT an irrevocable letter of credit in an amount as set forth in Sections 18.01.1. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to business in the state of California, in the DISTRICT'S name, and be callable at the discretion of the DISTRICT. Nothing in this Section shall, in any way, obligate the DISTRICT to accept a letter of credit in lieu of the performance bond.

Article 19. Insurance

19.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term of this Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with CONTRACTOR'S performance of work or services under this Contract. CONTRACTOR'S performance of work or services shall include performance by CONTRACTOR'S employees, agents, representatives and subcontractors.

19.01.1 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

19.01.1.1 Insurance Services Office Form No. GL 0002 (Ed. 1/96) covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (“occurrence” form CG 0001), including X, C, U where applicable.

19.01.1.2 Insurance Services Office Form No. CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 “any auto”, or code 2 “owned autos” and endorsement CA 0025. Coverage shall also include code 8, “hired autos” and code 9 “non-owned autos”.

19.01.2 Workers’ Compensation insurance as required by the California Labor Code and Employers Liability Insurance.

19.01.3 Hazardous Waste and Environmental Impairment Liability Insurance.

19.02 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no less than:

19.02.1 Comprehensive General Liability: \$3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Contract or the general aggregate limit shall be \$5,000,000.

19.02.2 Automobile Liability: \$3,000,000 combined single limit per accident for bodily injury and property damage.

19.02.3 Workers’ Compensation and Employers Liability: Workers’ Compensation limits as required by the California Labor Code and Employers Liability limits of \$3,000,000 per accident.

19.02.4 Hazardous Waste and Environmental Impairment Liability: \$3,000,000 per occurrence.

19.03 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, the DISTRICT. At the option of DISTRICT, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the DISTRICT, its officers, employees, agents and contractors; or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the DISTRICT.

19.04 Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

19.04.1 General Liability and Automobile Liability Coverage.

19.04.1.1 The DISTRICT, its officers, employees, agents and contractors are to be covered as additional insureds as respects: liability arising out of activities performed by, or on behalf of, CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, leased or used by CONTRACTOR; and automobiles owned, leased, hired or borrowed by CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its officers, employees, agents and contractors.

19.04.1.2 CONTRACTOR'S insurance coverage shall be primary insurance as respects the DISTRICT, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by the DISTRICT, its officers, employees, agents or contractors shall be in excess of CONTRACTOR'S insurance and shall not contribute with it.

19.04.1.3 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the DISTRICT, its officers, employees, agents, or contractors.

19.04.1.4 Coverage shall state that CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

19.04.1.5 The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion, if applicable, and add the Motor Carrier Act endorsement (MCS-90) TL 1005, TL 1007.

19.04.2 All Coverage. Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) calendar days prior written notice has been given to the DISTRICT.

19.05 Verification of Coverage. CONTRACTOR shall furnish the DISTRICT with certificates of insurance and with original endorsements affecting coverage required by this Contract. The certificates and endorsement for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. CONTRACTOR shall furnish the DISTRICT with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

19.05.1 Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the DISTRICT.

General Manager/District Engineer
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

19.06 Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.

19.07 Modification of Insurance Requirements. The insurance requirements provided in this Contract may be modified or waived by the DISTRICT, in writing, upon the request of CONTRACTOR if the DISTRICT determines such modification or waiver is in the best interest of the DISTRICT considering all relevant factors, including exposure to the DISTRICT.

19.08 Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against the DISTRICT with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Contract agree that they shall have no recourse against the DISTRICT for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which the DISTRICT is named as an additional insured shall not apply to the DISTRICT.

Article 20. Indemnification

20.01 Indemnification. CONTRACTOR shall indemnify and hold harmless the DISTRICT, the DISTRICT'S contractors, and the public officials, officers, directors, employees, agents and other contractors of each of them, from and against any and all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals as well as all Court or other dispute resolution costs), liabilities, expenditures or causes of action of any kind (including negligent, reckless, willful or intentional acts or omissions of the CONTRACTOR, any subcontractor, any supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any services or anyone for whose acts any of them may be liable), arising from, relative to or caused by the performance of the services. This indemnity includes but is not limited to claims attributable to bodily injury, sickness, disease or death and to injury or destruction of tangible property. CONTRACTOR agrees, at CONTRACTOR'S expense, after written notice from the DISTRICT, to defend any action against the DISTRICT that falls within the scope of this indemnity, or the DISTRICT, at the DISTRICT'S option, may elect not to tender such defense and may elect instead to secure its own attorneys to defend any such action and the reasonable costs and expenses of such attorneys incurred in defending such action shall be payable by CONTRACTOR. Additionally, if CONTRACTOR, after receipt of written notice from the DISTRICT, fails to make any payment due under this Contract to the DISTRICT, CONTRACTOR shall pay any reasonable attorneys' fees or costs incurred by the DISTRICT in securing any such payment from CONTRACTOR. Payment of any amount due pursuant to the foregoing indemnity shall, after receipt of written notice by CONTRACTOR from the DISTRICT

that such amount is due, be made by CONTRACTOR prior to the DISTRICT being required to pay same, or in the alternative, the DISTRICT, at the DISTRICTS option, may make payment of an amount so due and CONTRACTOR shall promptly reimburse the DISTRICT for same, together with interest thereon at the rate of 12% per annum simple interest from the date of receipt by CONTRACTOR of written notice from the DISTRICT that such payment is due.

20.02 CONTRACTOR agrees to protect and defend the DISTRICT with counsel selected by CONTRACTOR and approved by the DISTRICT, to pay all attorneys' fees, and to indemnify and hold the DISTRICT harmless from and against all fines or penalties imposed by the California Integrated Waste Management Board if the diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the DISTRICT with respect to the Materials Collected by CONTRACTOR and if the lack in meeting such goals are attributable to the failure of the CONTRACTOR to implement and operate the recycling or diversion programs or undertake the related activities required by this Contract.

20.03 Consideration. It is specifically understood and agreed that the consideration inuring to the CONTRACTOR for the execution of this Contract consists of the promises, payments, covenants, rights and responsibilities contained in this Contract.

20.04 Obligation. The execution of this Contract by the CONTRACTOR shall obligate the CONTRACTOR to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in Article 21 above.

20.05 Subcontractors. The CONTRACTOR shall require all subcontractors to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor fully indemnifies the DISTRICT in accordance with this Contract.

20.06 Exception. Notwithstanding Sections 20.01, 20.02 and 20.03, CONTRACTOR'S obligation to indemnify, hold harmless and defend the DISTRICT, its officers and employees shall not extend to any loss, liability, penalty, pain, damage, action or suit resulting from the sole negligence or willful misconduct of the DISTRICT its officers or employees.

20.07 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors cause any injury, damage or loss to the DISTRICT property, including but not limited to DISTRICT streets or curbs, CONTRACTOR shall reimburse the DISTRICT for the DISTRICT'S cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of the DISTRICT to be indemnified by CONTRACTOR for any such injury, damage or loss. With the prior written approval of the DISTRICT, CONTRACTOR may repair the damage at CONTRACTORS sole cost and expense.

Article 21. Default of Contract

21.01 Termination. The DISTRICT may cancel this Contract, except as otherwise provided below in this Section, by giving the CONTRACTOR thirty (30) calendar days advance written notice, to be served as provided in Article 37, upon the happening of any one of the following events:

21.01.1 The CONTRACTOR shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

21.01.2 By order or decree of a Court, the CONTRACTOR shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the CONTRACTOR, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, said default shall be deemed immediate; or

21.01.2.1 By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any Court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or substantially all of the property of the CONTRACTOR, and such possession or control shall continue in effect for a period of sixty (60) calendar days; or

21.01.3 The CONTRACTOR has defaulted, by failing or refusing to pay in a timely manner the administrative charges or other monies due the DISTRICT and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so; or

21.01.4 The CONTRACTOR has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so; or

21.01.5 In the event that the monies due the DISTRICT under Section 23.01.3 above or an unsatisfied final judgment under Section 21.01.4 above is the subject of a judicial proceeding, the CONTRACTOR shall not be in default if the sum of money is bonded. All bonds shall be in the form acceptable to the DISTRICT Attorney; or

21.01.6 The CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Contract or any of the rules and regulations promulgated by the DISTRICT pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Contract Administrator relative thereto and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the CONTRACTOR of written demand from the DISTRICT to do so, the CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof (with the CONTRACTOR having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default, and such default will be cured within a reasonable period of time). However, notwithstanding anything contained herein to the contrary, for the failure of the CONTRACTOR to provide Collection Services for a period of three (3) consecutive Work Days, the DISTRICT may secure the CONTRACTOR'S records on the fourth (4th) Work Day in order to provide interim Collection services until such time as the matter is resolved and the CONTRACTOR is again able to perform pursuant to this Contract; provided, however, if the CONTRACTOR is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease and this Contract may be deemed terminated by the DISTRICT.

21.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Contract under this Article, in the event that the CONTRACTOR'S record of performance show that the CONTRACTOR has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by the CONTRACTOR, in the opinion of the DISTRICT and regardless of whether the CONTRACTOR has corrected each individual condition of default, the CONTRACTOR shall be deemed a "habitual violator", shall be deemed to have waived the right to any further notice or grace period to correct, and all of said defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. The DISTRICT shall thereupon issue the CONTRACTOR a final warning citing the circumstances therefore, and any single default by the CONTRACTOR of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of the Contract. In the event of any such subsequent default, the DISTRICT may terminate this Contract upon giving of written final notice to the CONTRACTOR, such cancellation to be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR, and all contractual fees due hereunder plus any and all charges and interest shall be payable to said date, and the CONTRACTOR shall have no further rights hereunder. Immediately upon the specified date in such final notice the CONTRACTOR shall proceed to cease any further performance under this Contract.

21.03 Effective Date. In the event of the aforesaid events specified above, and except as otherwise provided in said subsections, termination shall be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR and upon said date this Contract shall be deemed immediately terminated and upon such termination all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. The CONTRACTOR for failure to perform shall reimburse the DISTRICT all direct and indirect costs of providing interim Collection Services.

21.04 Immediate Termination. The DISTRICT may terminate this Contract immediately upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the performance bond as required by this Contract, CONTRACTOR fails to obtain or maintain insurance policies endorsements as required by this Contract, CONTRACTOR fails to provide the proof of insurance as required by this Contract, or CONTRACTOR offers or gives any gift prohibited by the DISTRICT.

21.05 Termination Cumulative. The DISTRICT'S right to terminate this Contract is cumulative to any other rights and remedies provided by law or by this Contract.

Article 22. Modifications to the Contract

22.01 Modifications. The DISTRICT shall have the power to make changes in this Contract as the result of changes in law, to impose new rules and regulations on the CONTRACTOR under this Contract relative to the scope and methods of providing Collection Services as shall from time-to-time be necessary and desirable for the public welfare. The DISTRICT shall give the CONTRACTOR notice of any proposed change and an opportunity to be heard concerning those matters. The scope and method of providing Collection Services as referenced herein shall also be liberally construed to include, but is not limited to the manner, procedures, operations and obligations, financial or otherwise, of the CONTRACTOR.

22.01.1 Change in Law. The DISTRICT and the CONTRACTOR understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Management legislation and that these and other changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Contract. In the event any future change materially alters the obligations of the CONTRACTOR, then the affected Collection Service Rates, as established in Exhibit 1 of this Contract shall be adjusted. Nothing contained in this Contract shall require any party to perform any act or function contrary to law. The DISTRICT and CONTRACTOR agree to enter into good faith negotiations regarding modifications to this Contract which may be required in order to implement changes in the interest of the public welfare or due to change in law. When such modifications are made to this Contract, the DISTRICT and the CONTRACTOR shall negotiate in good faith, a reasonable and

appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the CONTRACTOR due to any modification in the Contract under this Article. The DISTRICT and the CONTRACTOR shall not unreasonably withhold agreement to such compensation adjustment.

Article 23. Legal Representation

23.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of and contributed equally to the terms and conditions of this Contract and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

Article 24. Financial Interest

24.01 Representation. CONTRACTOR warrants and represents that no elected official, officer, agent or employee of the DISTRICT has a financial interest, directly or indirectly, in this Contract or the compensation to be paid under it and, further, that no DISTRICT employee who acts in the DISTRICT as a "purchasing agent" as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the DISTRICT, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that no such DISTRICT employee, purchasing agent, DISTRICT elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the CONTRACTOR. Material interest means direct or indirect ownership of more than three percent (3%) of the total assets or capital stock of the CONTRACTOR.

Article 25. Contractor's Personnel

25.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for ensuring that its employees comply with all applicable laws and regulations and meet all federal, state and local requirements related to their employment and position.

25.01.1 The DISTRICT may request the transfer of any employee of the CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.

25.01.2 CONTRACTOR'S field operations personnel shall be required to wear a clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees, who normally come into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

25.01.3 Each driver of a Collection vehicle shall at all times carry a valid California driver's license and all other required licenses for the type of vehicle that is being operated.

25.01.4 Each driver of a Collection vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.

25.01.5 CONTRACTOR'S employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the DISTRICT.

25.01.6 The CONTRACTOR'S name and the Customer Service telephone number shall be properly displayed on all Collection vehicles.

Article 26. Exempt Waste

26.01 The CONTRACTOR shall not be required to Collect or dispose of Exempt Waste, but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Contract, but if provided by the CONTRACTOR shall be in strict compliance with all federal, state and local laws and regulations. If CONTRACTOR decides at its sole discretion to offer such services, said services are outside the scope of this Contract and at the sole risk of CONTRACTOR.

Article 27. Independent Contractor

27.01 In the performance of services pursuant to this Contract, CONTRACTOR shall be an independent contractor and not an officer, agent, servant or employee of the DISTRICT. CONTRACTOR shall have exclusive control of the details of the services and work performed and over all persons performing such services and work. CONTRACTOR shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits, or any other benefits which accrued to DISTRICT employees and CONTRACTOR expressly waives any claim it may have or acquire to such benefits.

Article 28. Laws to Govern

28.01 The law of the State of California shall govern the rights, obligations, duties and liabilities of the DISTRICT and CONTRACTOR under this Contract and shall govern the interpretation of this Contract.

Article 29. Consent to Jurisdiction

29.01 The parties agree that any litigation between the DISTRICT and CONTRACTOR concerning or arising out of this Contract shall be filed and maintained exclusively in the Superior Courts of Sacramento County, State of California, or in the United States DISTRICT

Court for the Eastern DISTRICT of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

Article 30. Assignment

30.01 No assignment of this Contract or any right occurring under this Contract shall be made in whole or in part by the CONTRACTOR without the express written consent of the DISTRICT. The DISTRICT shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the CONTRACTOR. Any assignment of this Contract made by the CONTRACTOR without the express written consent of the DISTRICT shall be null and void and shall be grounds for the DISTRICT to declare a default of this Contract and immediately terminate this Contract by giving written notice to the CONTRACTOR, and upon the date of such notice this Contract shall be deemed immediately terminated, and upon such termination all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors, the CONTRACTOR, or any other person or company for the service which is the subject of this Contract. In the event of any assignment, the assignee shall fully assume all the liabilities of the CONTRACTOR.

30.02 The use of a subcontractor to perform services under this Contract shall not constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior written authorization from the Contract Administrator to subcontract such services and the Contract Administrator has approved a subcontractor who will perform such services. CONTRACTOR shall be responsible for directing the work of CONTRACTOR'S subcontractors and any compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility of CONTRACTOR. The Contract Administrator shall have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in Exhibit 6, which is attached to and incorporated in this Contract, are hereby approved by the DISTRICT.

Article 31. Compliance with Laws

31.01 In the performance of this Contract, CONTRACTOR shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation those of the DISTRICT.

31.02 The DISTRICT shall provide written notice to CONTRACTOR of any planned amendment to applicable laws, regulations, ordinances and codes of the DISTRICT that would substantially affect the performance of CONTRACTOR'S services pursuant to this Contract. Such notice shall be provided at least thirty (30) calendar days prior to the DISTRICT'S approval of such an amendment.

Article 32. Permits and Licenses

32.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Contract. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the Contract Administrator.

Article 33. Ownership of Written Materials

33.01 All reports, documents, brochures, public education materials, and other written, printed, electronic or photographic materials developed by the DISTRICT or CONTRACTOR in connection with the services to be performed under this Contract, whether developed directly or indirectly by the DISTRICT or CONTRACTOR shall be and shall remain the property of the DISTRICT without limitation or restrictions on the use of such materials by the DISTRICT. CONTRACTOR shall not use such materials in connection with any project not connected with this Contract without the prior written consent of the Contract Administrator. This Article 33 does not apply to ideas or concepts described in such materials and do not apply to the format of such materials.

Article 34. Waiver

34.01 Waiver by the DISTRICT or CONTRACTOR of any breach for violation of any term covenant or condition of this Contract shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition. The subsequent acceptance by the DISTRICT of any fee, tax, or any other monies which may become due from CONTRACTOR to the DISTRICT shall not be deemed to be a waiver by the DISTRICT of any breach for violation of any term, covenant or condition of this Contract.

Article 35. Prohibition Against Gifts

35.01 CONTRACTOR represents that CONTRACTOR is familiar with the DISTRICT'S prohibition against the acceptance of any gift by a DISTRICT officer or designated employee. CONTRACTOR shall not offer any DISTRICT officer or designated employee any gifts prohibited by the DISTRICT.

Article 36. Point of Contact

36.01 The day-to-day dealings between the CONTRACTOR and the DISTRICT shall be between the CONTRACTOR and the Contract Administrator.

Article 37. Notices

37.01 Except as provided herein, whenever either party desires to give notice to the other, it must be given by written notice addressed to the party for whom it is intended, at the place last specified and to the place for giving of notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective persons and places for giving of notice:

As to the DISTRICT:

Contract Administrator
General Manager/DISTRICT Engineer
Rancho Murieta Community Services DISTRICT
15160 Jackson Road
Rancho Murieta, CA 95683
Telephone: (916) 354-3700
Fax: (916) 354-2082

As to the CONTRACTOR:

David Vaccarezza, Owner
California Waste Recovery Systems, LLC
P. O. Box 670
Woodbridge, CA 95258
Telephone: (916) 354-4154
Fax: (209) 369-2703

37.02 Notices shall be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice. Facsimile transmission is acceptable notice, effective when received, however, facsimile transmissions received (i.e. printed) after 4:30 p.m. or on weekends or holidays, will be deemed received on the next business day. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.

37.03 Notice by the DISTRICT to CONTRACTOR of a Collection or other Service Recipient problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S local office with confirmation sent to CONTRACTOR through the Customer Service System by the end of the Work Day.

Article 38. Transition to Next Contractor

38.01 In the event CONTRACTOR is not awarded a Contract to continue to provide Collection Services following the expiration or early termination of this Contract, CONTRACTOR

shall cooperate fully with the DISTRICT and any subsequent contractors to assure a smooth transition of services described in this Contract. Such cooperation shall include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Service Recipients; providing a complete inventory of all carts and bins; providing adequate labor and equipment to complete performance of all Collection Services required under this Contract; taking all actions necessary to transfer ownership of carts and bins, as appropriate, to the DISTRICT; including transporting such containers to a location designated by the Contract Administrator; coordinating Collection of materials set out in new containers if new containers are provided for a subsequent Contract and providing other reports and data required by this Contract.

Article 39. Contractor's Records

39.01 CONTRACTOR shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to CONTRACTOR pursuant to this Contract.

39.02 CONTRACTOR shall maintain all documents and records which demonstrate performance under this Contract for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Contract.

39.03 Any records or documents required to be maintained pursuant to this Contract shall be made available for inspection or audit, at any time during regular business hours, upon written request by the Contract Administrator, the DISTRICT Attorney, DISTRICT Auditor, DISTRICT General Manager/DISTRICT Engineer, or a designated representative of any of these officers. Copies of such documents shall be provided to the DISTRICT for inspection at the DISTRICT offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S address indicated for receipt of notices in this Contract.

39.04 Where the DISTRICT has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, the DISTRICT may, by written request or demand of any of the above named officers, require that custody of the records be given to the DISTRICT and that the records and documents be maintained in the DISTRICT Administrative Office. Access to such records and documents shall be granted to any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

Article 40. Entire Contract

40.01 This Contract and the Exhibits attached hereto constitute the entire Contract and understanding between the parties hereto, and it shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto. Any prior oral or written discussions, communications, or understandings between the parties shall be of no legal effect unless specifically incorporated in this written Contract and/or addendums thereto.

Article 41. Severability

41.01 If any provision of this Contract or the application of it to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Contract and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected, shall continue in full force and effect, and shall be enforced to the fullest extent permitted by law.

Article 42. Right to Require Performance

42.01 The failure of the DISTRICT at any time to require performance by the CONTRACTOR of any provision hereof shall in no way affect the right of the DISTRICT thereafter to enforce same. Nor shall waiver by the DISTRICT of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

Article 43. All Prior Contracts Superseded

43.01 This document incorporates and includes all prior negotiations, correspondence, conversations, Contracts and understandings applicable to the matters contained in this Contract and the parties agree that there are no commitments, Contracts or understandings concerning the subject matter of this Contract that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Contract shall be predicated upon any prior representations or Contracts, whether oral or written.

Article 44. Headings

44.01 Headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Contract.

Article 45. Exhibits

45.01 Each Exhibit referred to in this Contract forms an essential part of this Contract. Each such Exhibit is a part of this Contract and each is incorporated by this reference.

Article 46. Effective Date

46.01 This Contract shall become effective at such time as it is properly executed by the DISTRICT and the CONTRACTOR and the CONTRACTOR shall begin Services, as covered herein, as of July 1, 2013.



IN WITNESS WHEREOF, the DISTRICT and the CONTRACTOR have executed this Contract on the respective date(s) below each signature.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

CONTRACTOR

By: _____
Signature

By: _____
Signature

Title: _____

Title:
David Vaccarezza, President
CWR Industries, Inc.
Managing Member of California Waste Recovery Systems, LLC

Date: _____

Date: _____

APPROVED AS TO FORM

By: _____
Signature

Title: DISTRICT's Counsel

Date: _____

Exhibit 1
CONTRACTOR COLLECTION SERVICE RATES WITHOUT
FRANCHISE FEE
EFFECTIVE 07/01/2012

A. COLLECTION SERVICES

1	Garbage Cart Sizes (gallons)	38	64	96
2	Disposal Charge Per Ton – Solid Waste	\$30.00		
3	Monthly Per Unit Solid Waste Generation Factor	0.03	0.08	0.2
4	Disposal Element	\$1.02	\$2.22	\$5.23
5	Monthly Collection Element	\$14.71	\$15.11	\$21.40
6	TOTAL MONTHLY COLLECTION RATE (Lines A4 + A5)	\$15.73	\$17.33	\$26.63

B. ADDITIONAL CARTS

1	Garbage Cart Sizes (gallons)	38	64	96
2	MONTHLY COST FOR EACH ADDITIONAL GARBAGE CART	\$7.74	\$9.66	\$20.59
3	MONTHLY COST FOR EACH ADDITIONAL RECYCLING CART IN EXCESS OF ONE(1) RECYCLING CART	N/A	\$6.16	\$6.16
4	MONTHLY COST FOR EACH ADDITIONAL GREEN WASTE CART IN EXCESS OF TWO (2) GREEN WASTE CARTS	N/A	\$6.16	\$6.16

C. DISCOUNT FOR GREEN WASTE EXEMPTION				
1	Garbage Cart Sizes (gallons)	38	64	96
2	MONTHLY DISCOUNT FOR GREEN WASTE EXEMPTION	\$2.00		
D. ADDITIONAL LARGE ITEM COLLECTION SERVICE RATE (ON-CALL)				
1	Additional Large Item Size	1 Cu. Yd.		
2	Disposal Charge Per Ton – Large Item	\$30.00		
3	Per Unit Large Item Generation Factor	0.05		
4	Disposal Element (Line D2 multiplied by Line D3)	\$1.50		
5	Collection Element	\$33.32		
6	TOTAL LARGE ITEM COLLECTION RATE (Lines D4 + D5)	\$34.82		
E. EXCESS CART EXCHANGE SERVICE RATE (Each occurrence)				
1	Garbage Cart Sizes (gallons)	38	64	96
2	EXCESS CART DELIVERY SERVICE RATE	\$17.05		

F. EMERGENCY SERVICE RATES	
1 Laborer (per hour)	\$42.65
2 Automated truck (Heil) with driver (per hour)	\$109.67
3 Front loader truck (White) with driver (per hour)	\$103.58
4 Roll off truck (White) with driver (per hour)	\$103.58
5 Forman and pickup (GMC) (per hour)	\$60.91
6 Transfer truck and trailer with driver (White/Wilkins) (per hour)	\$109.67

Exhibit 2 REFUSE RATE INDEX

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

1. The expenses of providing Collection Services in the Service Area for the designated fiscal period shall be prepared in the format set forth in the Operating Cost Statement - Description on the following page of this Exhibit.
2. The expenses of providing Collection Services in the Service Area shall be broken down into one of the following five cost categories: Labor; Fuel; Vehicle Replacement; Maintenance and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.
3. The following indices are used to calculate the adjustment for each cost category. The average change in each index is calculated on a twelve-month fiscal period in accordance with the terms of the Contract.

Cost Category

Index

Labor	Series ID: CIS201S000000001 Employment Cost Index (NAICS), Total Compensation, Private Industry, Service-Providing
Fuel	Series ID: http://www.eia.gov/petroleum/gasdiesel/ U.S. On-Highway Diesel Fuel Prices* (dollars per gallon), California, Monthly, Ultra Low Sulpher
Vehicle Replacement	Series ID: PCU3362-3362 Motor Vehicle Body and Trailer Manufacturing
Vehicle Maintenance	Series ID: PCU3363-3363 Motor Vehicle Parts Manufacturing
All Other	3/4 Consumer Price Index, Series ID: CUURX400SA0 CPI-All Urban Consumers, All Items – West Size Class B/C

4. The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index.

Exhibit 2
REFUSE RATE INDEX
OPERATING COST STATEMENT - DESCRIPTION

Operating Costs

Labor: List all administrative, officer, operation and maintenance salary accounts.
List payroll tax accounts directly related to the above salary accounts.

Fuel: List all fuel and oil accounts.

Vehicle

Replacement: List all Collection and Collection related vehicle depreciation accounts. List all vehicle lease or rental accounts related to Collection or Collection related vehicles.

Vehicle

Maintenance: List all Collection or Collection related vehicle parts accounts.

All Other: List all other expense accounts related to the services provided under this Contract. This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; and miscellaneous other expenses.

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Exhibit 3
PERFORMANCE BOND

(To be inserted)



Rancho Murieta
CSD

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Exhibit 4 CART SPECIFICATIONS

Garbage, Recycling, and Green Waste Carts)

1. Manufacturer.....	Schaefer	
2. Description and Type.....	Injection molded carts	
3. Material of Construction	High density polyethylene	
4. Material Content.....	100% virgin polyethylene	
5. Color.....	Green, Brown, Charcoal Grey	
6. Durability (in service years).....	10 years	years
7. Cost of Each Container.....	\$43.00	(32 gal)
.....	\$49.45	(64 gal)
.....	\$58.05	(96 gal)
8. Dimensions of Each Container (Height X Depth X Width).....	37 X 22 X 19	(32 gal)
.....	42 X 29 X 23	(64 gal)
.....	43 X 35 X 24	(96 gal)
9. Shape of Each Container (Round, Square, Rectangular, other).....	Rectangular	(32 gal)
.....	Rectangular	(64 gal)
.....	Rectangular	(96 gal)
10. Manufacturer's warranty (10-year minimum and attach a copy).....	See attached	

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Exhibit 5 COLLECTION VEHICLE SPECIFICATIONS

(Garbage, Recycling, and Green Waste Collection Vehicles)

1. Manufacturer and Model	Autocar
a. Cab and Chassis.....	Autocar
b. Body.....	Heil Rapid Rail
c. Engine.....	Cummins
d. Transmission.....	Allison 45 RDS 5-speed
2. Number of Vehicles	Two (2)
3. Cab and Chassis:	
a. Cab Height	105 inches
b. Walk-In Cab	_____ yes <u> X </u> no
c. Number of Axles	Three (3)
d. Dual Drive.....	_____ yes <u> X </u> no
e. Overall Length With Body Mounted	305 inches
4. Body:	
a. Type of Body.....	Heil
b. Rated Capacity.....	30 cu. yd.
c. Practical or Net Capacity.....	30 cu. yd.
d. No. of Compartments.....	One (1) cu. yd.
e. Net Capacity of Each Compartment	30 cu. yd.
f. Overall Body Length.....	50 inches

Form E
GARBAGE COLLECTION VEHICLES (cont.)

g. Body Height	<u>151</u>	inches
h. Body Width	<u>96</u>	inches
i. Loading Height Above Ground.....	Minimum <u>13</u>	inches
.....	Maximum <u>144</u>	inches
j. Materials of Construction.....	<u>Steel</u>	
5. Weight.....	GVW <u>50,400</u> lbs.	Tare <u>29,200</u> lbs.
6. Will the vehicles be owned, leased, or other?.....	<u>Owned</u>	
7. Purchase cost of each vehicle.....	<u>\$212,543</u>	
8. Fuel type.....	<u>Diesel</u>	
9. Fuel usage.....	<u>3.5/gal hour</u>	
10. Emissions rating		
a. CO.....	<u>4.125</u>	g/bhp/hr
b. HC (total hydrocarbons).....	<u>4.125</u>	g/bhp/hr
c. NO _x	<u>N/A</u>	g/bhp/hr
d. Particulate Matter.....	<u>0.1250</u>	g/bhp/hr
11. Safety Features.....	<u>Backup alarms, backup camera, strobe light, 2-way radio</u>	
12. Color.....	<u> </u>	

Exhibit 6
LIST OF APPROVED SUBCONTRACTORS

None

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Exhibit 7

County Of Sacramento Municipal Services Agency Agreement For Regional Waste Management Services Cost Recovery Between the County Of Sacramento and the Rancho Murieta Community Services District

Agreement shown on following 8 pages

**COUNTY OF SACRAMENTO
MUNICIPAL SERVICES AGENCY**

**AGREEMENT FOR
REGIONAL WASTE MANAGEMENT SERVICES COST RECOVERY
BETWEEN THE COUNTY OF SACRAMENTO
AND THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT**

THIS AGREEMENT is made and entered into as of this 23rd day of August, 2005 by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter referred to as "COUNTY") and the RANCHO MURIETA COMMUNITY SERVICES DISTRICT (hereinafter referred to as "CSD").

RECITALS

WHEREAS, CSD is located in the unincorporated area of the COUNTY. The COUNTY has an ongoing obligation to provide the full range of integrated waste management services to all unincorporated residents, including waste collection services;

WHEREAS, CSD desires to contract with an outside Residential Service Provider for residential waste collection services within the CSD boundary limits; and,

WHEREAS, CSD and COUNTY desire to have COUNTY continue its legal obligation to provide certain waste management services beyond residential collection services upon the terms and conditions set forth herein; and,

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants hereinafter set forth, CSD and COUNTY hereby agree as follows:

I. SCOPE OF SERVICES AND COMPENSATION

A. COUNTY will continue to provide the following services:

- Integrated solid waste management planning and reporting in compliance with the Integrated Waste Management Act of 1988
- Electronic waste recycling programs
- Household hazardous waste programs
- Cleanup of illegal dumping on County roads
- Support for the City/County Solid Waste Advisory Committee (SWAC)
- County residents share of old landfill closure and post-closure maintenance and monitoring (the COUNTY is legally required to maintain the closed Elk Grove Landfill, Grand Island Landfill, and Old Module 1 portion of Kiefer Landfill).



B. CSD shall agree to the following:

- Contract with an outside Residential Service Provider for a 10-year term for all residential collection services;
- Recommend that the contracted Residential Service Provider dispose of all CSD residential garbage at Kiefer Landfill for the 10 year term;
- Contact COUNTY in writing Thirty (30) days in advance should the contracted Residential Service Provider choose to dispose of waste at another facility other than Kiefer Landfill during any point in the 10-year contract term;
- Provide billing services to their residential garbage service accounts on a monthly basis and provide monthly account information (number of accounts billed) to COUNTY;
- Compensate the COUNTY for its continued obligation to provide the range of countywide integrated waste management services listed in Section A;
- Payment to the COUNTY will be consistent with the following provisions:
 - If the contracted Residential Service Provider disposes of all CSD residential garbage at Kiefer Landfill, then the CSD agrees to pay the COUNTY \$1.00/service account/month x CPI annual adjustment;
 - If the contracted Residential Service Provider chooses to dispose of CSD residential garbage at another facility other than Kiefer Landfill during any point in the 10-year contract term, then CSD agrees to pay the COUNTY \$3.00/service account/month x CPI annual adjustment;
 - Invoices from the COUNTY to CSD will reflect both pricing scenarios;
 - Adjustments to the pricing are due to Kiefer Landfill's funding contribution toward integrated waste management services.
- Require that the contracted Residential Service Provider pick up, clean and drop off COUNTY-owned totes at a predetermined County-designated facility;
- Require that the contracted Residential Service Provider provide the COUNTY recycling and disposal tonnage reports on a quarterly basis on a form provided by COUNTY;

- Require that the contracted Residential Service Provider provide a comparable level of service to that which the COUNTY provides to other unincorporated residents and results in a comparable diversion rate.
- C. COUNTY shall agree to the following:
- Require that the contracted Residential Service Provider have a current and valid general refuse collection permit issued by COUNTY;
 - Submit quarterly invoices to CSD that reflect the following two pricing scenarios:
 - \$1.00/service account/month x CPI annual adjustment, should the contracted Residential Service Provider dispose of all CSD residential garbage at Kiefer and;
 - \$3.00/service account/month x CPI annual adjustment should the contracted Residential Service Provider choose to dispose of CSD residential garbage at another facility other than Kiefer Landfill during any point in the 10 year contract term;
 - CPI information will be adjusted annually on July 1, using the month of February each year as the adjustment month. COUNTY will obtain the annual CPI information from the Bureau of Labor Statistics and use the U.S. City Average CPI for Urban Wage Earners and Clerical Workers.
- D. Should the CSD continue to contract with an outside Residential Service Provider beyond the term of this contract, the County will re-evaluate regional program costs and the CSD will continue its obligation to pay the County for these program costs;
- E. CSD contracts with COUNTY and outside Residential Service Provider will commence November 1, 2005 or soon thereafter as mutually agreed by the CSD General Manager and County Department of Waste Management and Recycling Director.

II. TERM

- A. This Agreement shall be effective and commence as of the date first written above and shall remain in effect until all services are complete, which is estimated to be October 31, 2015.
- B. The Director of the Department of Waste Management and Recycling shall have the authority to extend the term of this Agreement on a year-to-year basis with the mutual written consent of CSD.

III. NOTICE

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail.

TO COUNTY

County of Sacramento
Department of Waste Management
and Recycling
Attn: David Pelsar, Director
9850 Goethe Road
Sacramento, CA 95827-3561

TO CSD

Rancho Murieta CSD
Attn: Edward Crouse, General
Manager
15160 Jackson Rd
Rancho Murieta, CA 95683

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice to designate a change of address to the other party, which shall be effective upon receipt.

IV. COMPLIANCE WITH LAWS

COUNTY and CSD shall observe and comply with all applicable Federal, State, and County laws, regulations and ordinances.

V. GOVERNING LAWS AND JURISDICTION

This Agreement shall be deemed to have been executed and performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

VI. STATUS OF PARTIES

There is no agency relationship between the parties. Notwithstanding anything contained herein, the employees of each party will continue to be entirely and exclusively under the direction, supervision and control of the employing party.

VII. INDEMNIFICATION

CSD shall defend, indemnify and hold harmless COUNTY, its Board of Supervisors, officers, directors, agents, employees and volunteers from and against all demands, claims, actions, liabilities, losses, damages, and costs, including payment of reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of CSD'S officers, directors, agents, employees, or subcontractors.

COUNTY shall defend, indemnify, and hold harmless CSD, its officers, directors, agents, employees, and subcontractors of CSD from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys' fees, arising out of or resulting from the performance of the Agreement, caused in whole or in part by the negligent or intentional acts or omissions of COUNTY'S Board of Supervisors, officers, directors, agents, employees, or volunteers.

It is the intention of COUNTY and CSD that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers, COUNTY'S Board of Supervisors, COUNTY'S subcontractors, Rancho Murieta's Board of Directors and CSD's subcontractors. It is also the intention of COUNTY and CSD that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, COUNTY'S Board of Supervisors, COUNTY'S subcontractors, Rancho Murieta's Board of Directors, and CSD'S subcontractors.

VIII. INSURANCE

Each party, at its sole cost and expense, shall carry insurance or self-insure— its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages.

IX. ASSIGNMENT

This Agreement is not assignable by CSD or COUNTY in whole or in part.

X. AMENDMENT AND WAIVER

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both

parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon CSD or COUNTY unless agreed in writing by DIRECTOR and counsel for COUNTY and DIRECTOR and attorney for CSD.

XI. SUCCESSORS

This Agreement shall bind the successors of COUNTY and CSD in the same way as if they were expressly named.

XII. TIME

Time is of the essence of this Agreement.

XIII. INTERPRETATION

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

XIV. DISPUTES

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. If the dispute cannot be resolved by mutual agreement, nothing herein shall preclude either party's right to pursue remedy or relief by civil litigation, pursuant to the laws of the State of California.

XV. PRIOR AGREEMENTS

This Agreement constitutes the entire contract between COUNTY and CSD regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between COUNTY and CSD regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

XVI. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

RANCHO MURIETA COMMUNITY SERVICES DISTRICT,

By [Signature]
David A. Pelesor, Director
Department of Waste Management
and Recycling

By [Signature]
John Merchant, President
Rancho Murieta Community Services
District Board of Directors

"COUNTY"
Date: 8/15/05

"CSD"
Date: 6/28/05

Agreement approved by the Board of Supervisors and signed by the Director under the authority delegated by Resolution No. 99-0327.

ATTEST:

Agenda Date: 8-23-05

Item Number: 39 / 2005-070

REVIEWED AND APPROVED BY
COUNTY COUNSEL:

APPROVED AS TO FORM:

By: [Signature]
Date: [Signature]

[Signature]
CSD Attorney

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO, a political subdivision of the State of California

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By David A. Pelsler, Director
Department of Waste Management and Recycling

By Edward Crouse, General Manager

"COUNTY"

Date: [Signature] "CSD"

Date: _____

Agreement approved by the Board of Supervisors and affirmed by the Director under the authority delegated by Resolution No. 0327.

ATTEST:

Agenda Date: _____

Item Number: _____

REVIEWED AND APPROVED BY COUNTY COUNSEL:

APPROVED AS TO FORM:

By: [Signature]

CSD Attorney

Date: JUNE 15, 2005

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MEMORANDUM

Date: May 10, 2013
To: Board of Directors
From: Darlene J. Gillum, Director of Administration
Subject: Review of the Proposed 2013-14 Budget and Capital Projects

RECOMMENDED ACTION

Introduce Resolution 2013-02, waive the first reading and continue to the June 19, 2013 Board meeting for adoption.

BACKGROUND

The purpose of this budget presentation is to receive community input on the budget as well as to receive Board direction addressing adjustments based on community input. The final budget will be adopted at the June Board of Directors meeting.

It should be noted, that the budget previewed in March 2013 was the basis for rate adjustment notices to the community.

Budget Overview

Staff began the budget process in January 2013 for the fiscal year 2013-14 budget. It has been an iterative process up until the most recent draft budget presented to the Finance Committee in May. Staff has continued to work on fine tuning the proposed 2013-14 budget in an effort to keep rate increases at a minimal level while still providing the quality of services expected by the Rancho Murieta community.

At the March meeting, the Board approved removing the planned increase of \$25,000 for Water Non-Routine Maintenance and reducing the projected collection of the proposed Van Vleck Ranch Permanent Irrigation Spray Fields project prefunding by approximately 50%. These approved changes reduced the monthly average increase for a residential metered lot from 7.9% to 5.15%.

Also, since the March Board Meeting, the following reductions have been identified:

	Savings
1. Premium reduction in Dental, Life, and Long-term Disability due to seeking competitive quotes	\$ 2,547
2. AT&T telephone rate reduction due to review of current phone lines and placing them on the most competitive contract rate	\$ 4,860
3. CAD System Software reduction in estimated purchase cost and related hardware needs	\$ 6,800
4. California Waste Recovery Services reduction in projected rate increase	\$ 5,040

	Expense Reductions	\$19,247
5. Property Tax Revenue increase related to annual adjustment to assessed values previously reduced under Prop 8		\$12,720
	Total Reductions since March	\$31,967

Implementing the above reductions reduces the monthly average increase for a residential metered lot from 5.15% to 4.6%. Please refer to the attached Sample Bill and Budget Reports by Department for additional detail. This increase can be broken down as:

Operations Increase	\$0.58	.4%
WTP1 Project Funding	\$3.12	2.0%
VVR Permanent Spray Field Project Funding	\$3.65	2.2%

Revenues

1. Property tax increase of \$12,720 based on projections provided by Sacramento County. This increase is related primarily to an increase of approximately \$22 million in tax base related to adjustments in assessed values for properties previously reduced by Prop 8 appeals.
2. No new development growth in 2013 – 14
3. Late charges are estimated at 1.1% of total service charges.
4. Water usage based on projected 2020 compliance usage (using 2010 as the base year and projecting a 2% reduction per year from base until the year 2020).
5. Continuation of the advance collection for funding a portion of the Water Treatment Plant 1 (WTP1) rehabilitation project (debt service prefunding) and the related reserve increase and reinstating the advance collection for funding a portion of the Van Vleck Ranch Permanent Irrigation Fields project (debt service prefunding) and the related reserve increase. Recall that these advance collections are related to the upcoming major infrastructure projected for the WTP1 Rehab and VVR Permanent Irrigation Fields.

The following table shows the advance collection (debt service prefunding) plan compared to actual advance collections to date:

Water Treatment Plant 1 Rehab							
Principal Prefunding	10/11	11/12	12/13	Interim Total	Proposed	Projected	Total
					13/14	14/15	
Planned \$	\$ 36,500	\$ 73,000	\$ 109,500	\$ 219,000	\$ 146,000	\$ 146,000	\$ 511,000
Actual \$	\$ 25,061	\$ 55,085	\$ 53,196	\$ 133,342	\$ 144,529	\$ 220,127	\$ 497,998
Planned Rate							
Base Rate \$	\$ 0.43	\$ 1.03	\$ 1.70		\$ 2.45	\$ 4.75	
Usage Rate \$	\$ 0.0002	\$ 0.0008	\$ 0.0011		\$ 0.0012	\$ 0.0012	
Actual Rate							
Base Rate \$	\$ 0.43	\$ 0.75	\$ 0.75		\$ 2.25	\$ 4.75	
Usage Rate \$	\$ 0.0002	\$ 0.0005	\$ 0.0005		\$ 0.0012	\$ 0.0012	
Replacement Reserves	10/11	11/12	12/13	Interim Total	Proposed	Projected	Total
					13/14	14/15	
Planned \$	\$ 6,518	\$ 13,140	\$ 19,711	\$ 39,369	\$ 26,291	\$ 26,291	\$ 91,950
Actual \$	\$ 6,574	\$ 9,844	\$ 19,703	\$ 36,121	\$ 27,933	\$ 27,933	\$ 91,987
Planned Rate							
Base Rate \$	\$ 0.20	\$ 0.40	\$ 0.60		\$ 0.80	\$ 0.80	
Actual Rate \$	\$ 0.20	\$ 0.30	\$ 0.60		\$ 0.85	\$ 0.85	

VVR Permanent Irrigation Fields							
Principal Prefunding	10/11	11/12	12/13	Interim Total	Proposed	Projected	Total
					13/14	14/15	
Planned \$	\$ 60,500	\$ 121,000	\$ 181,500	\$ 363,000	\$ 242,000	\$ 242,000	\$ 847,000
Actual \$	\$ 63,140	\$ 98,520	\$ -	\$ 161,660	\$ 103,446	\$ 247,111	\$ 512,217
Planned Rate							
Base Rate \$	\$ 1.84	\$ 3.68	\$ 5.53		\$ 7.37	\$ 7.37	
Actual Rate \$	\$ 2.00	\$ 3.00	\$ -		\$ 3.15	\$ 7.50	
Replacement Reserves	10/11	11/12	12/13	Interim Total	Proposed	Projected	Total
					13/14	14/15	
Planned \$	\$ 10,837	\$ 21,675	\$ 32,512	\$ 65,024	\$ 43,349	\$ 43,349	\$ 151,722
Actual \$	\$ 10,861	\$ 16,420	\$ -	\$ 27,281	\$ 16,420	\$ 57,659	\$ 101,360
Planned Rate							
Base Rate \$	\$ 0.33	\$ 0.66	\$ 0.99		\$ 1.32	\$ 1.32	
Actual Rate \$	\$ 0.30	\$ 0.50	\$ -		\$ 0.50	\$ 1.75	

Green shading denotes projected numbers

EXPENSES

1. Wages
 - a. Provisions of OE3/District Memorandum of Understanding included
 - b. Non-represented merit pool based on 5% of wages (total \$36,700) (not meant to imply that every non-represented employee will receive a 5% salary increase)
 - c. Operator in Training position, which was removed in the 2011-2012 budget, has not been reinstated for Water/Sewer/Drainage
2. Employer Costs
 - a. PERS Employer Contribution rate for 2@55 plan is 12.608%, which is a 5.6% increase from last year's rate of 11.938%.

- b. PERS Employer Contribution rate for 2@62 plan (new plan in effect as of 1/1/13 for new PERS members) is 6.25%. Employee contribution for non-represented new PERS members is 6.25%. Represented new PERS members contribution is controlled by MOU at 3% until MOU expiration on 12/31/14.
 - c. District's PERS Employer Paid Member Contributions at 4% for classic PERS members.
 - d. Medical Insurance – Estimated 5% increase on January 1, 2014.
 - e. Life, Dental and Vision – reflects premium reductions effective June 1, 2013.
 - f. Other Post Employment Benefit (OPEB) funding continued at level to meet projected Annual Required Contribution (ARC) in 2013-14.
3. Workers Comp Insurance Premiums – no increase in rate; approx. \$2,600 premium increase related to increased wages

General Fund – preliminary Operating Expenses projection is a net reduction of (.6)%

1. Liability and Property Insurance Premiums – no increase in rate; premium will increase if base value (i.e., covered property) increases. Reflects premium credit for participation in GSRMA's Loss Prevention Incentive Program.
2. Information Technology – reduction from 2012–13 budget reflects new IT Services contract rate.
3. Meetings increased \$1,000 for GM mileage reimbursement.
4. Vehicle fuel reduced as a result of GM no longer being provided District vehicle.
5. Election cost – removed \$5,000 because 2013-14 is a non-election year.
6. Other costs reduced \$24,000 for credit card fees no longer paid by District. This is the reduction provided by transitioning to the online payment process powered by Paymentus.

Security – preliminary projection is a net increase of 2.1% in Total Expenses

1. Gate Information Technology reflects cost of remote hosting by ABDI for Security server (remote hosting is expected to reduce/eliminate support issues for the ABDI program).
2. Information Technology (Gate, Patrol and Administration) reflect reductions related to new IT Services contract (contract will be billed as an all-inclusive support rate to the General Fund).
3. SMUD Power cost – currently no rate increase expected.
4. Patrol Employers Cost increase of \$12,000 due to employee no longer on Opt Out of health coverage.
5. Security Vehicle Lease – budgeted for 1 current lease vehicle and added 1 lease vehicle for replacement of 1 additional Security vehicle.

Water – preliminary projection is a net increase of 3.1% in Total Expenses

1. SMUD Power cost – currently no rate increase expected.
2. Water SOS – reduction of \$10,000 in Chemicals for the treatment/prevention of Taste and Odor issues for using District employees for application of chemicals.
3. Water SOS – 4 Midge Fly treatments planned (in Chemicals line item).
4. Water Transmission & Distribution – increase of \$6,700 in Other for sludge removal.

5. Water Administration – Legal/Consulting increased \$15,000 for replacement/update of our General Permit for the application of herbicides/pesticides to meet new State requirements.
6. Water Administration – Vehicle Fuel estimated at \$4.25 per gallon; budget includes Federal and State excise tax refund.
7. Water Administration – Information Technology decrease in previously projected cost for Auto-Cad software/system.
8. Water Administration – AT&T telephone cost reduction
9. Water Administration – removed Non-Routine Maintenance increase of \$25k (third year of four year funding timeframe to eventually build total budget to \$100,000; recall that the second year increase was also not implemented in 2011-12).

Sewer – preliminary projection is a net reduction of (.3)% in Total Expenses

1. SMUD Power cost – currently no rate increase expected.
2. Sewer Treatment & Disposal – Chemicals include additional cost for pH control.
3. Sewer Administration – Legal/Consulting removed net of \$40,000 for the design of sludge removal improvements, which was a 2012-13 project.
4. Sewer Administration – Information Technology decrease in previously projected cost for Auto-Cad software/system.
5. Sewer Administration – AT&T telephone cost reduction
6. Sewer Administration – increased Non-Routine Maintenance by \$20k (third year of four year funding timeframe to eventually build total budget to \$80,000; recall that the second year increase was not implemented in 2011-12).

Drainage – preliminary projection is a net increase of 2.9% in Total Expenses

1. MS4 Permit increased \$1,000 to meet actual cost in 2012-13.
2. SMUD Power cost – currently no rate increase expected.
3. Equipment Rental decreased \$1,000.
4. Legal/Consulting decreased \$1,000.

Solid Waste – preliminary projection is a net increase of 2.0% in Total Expenses

1. California Waste Recovery Services contract rate adjustment of approximately 2%
2. Sacramento County surcharge fee increase of 1.94%
3. Household Hazardous Waste Event kept at \$12,000 per year with planned schedule on a bi-annual basis; making the next event to be held in fall 2014.

Sample Bill

The attached Sample Bill shows the proposed rate adjustments according to the most recent budget draft (also attached). The average monthly increase for a residential metered lot, based on the above recommendations, is 4.59%.

Budget Summaries by fund

Columns include a column showing percentage of variance between the current budget and the projected 2012-13 actuals through the end of this budget year. Another column shows the percent change from the projected actuals for 2012-13 to the proposed draft budget for 2013-14. And the last column shows the percent change from the adopted 2012-13 budget to the proposed draft budget for 2013-14.

Capital Project Listing

The Capital Project Listing for FY13/14 is attached. In 2013-14, there are two (2) new projects and fourteen (14) carryover projects. Work on one (1) of the carryover projects is in process.

Sample Bill - May 2013



Rancho Murieta Community Services District

Average Monthly Customer Bill

Residential Metered Lot

		Average Usage in CF
Water		
	Residential Base	
old rate	Water Usage	\$0.0145 per cubic foot
new rate	Water Usage	\$0.0152 per cubic foot
Sewer		
Solid Waste (avg. 64 Gallon Container)		
Security Tax (Maximum Tax Ceiling \$26.40)		
Drainage Tax (Maximum Tax Ceiling \$4.64)		

	Current Monthly Rates July 1, 2012	Proposed Monthly Rates July 1, 2013	% Change
	1957	1957	
\$	35.42	37.17	4.9%
	28.38	29.75	4.8%
	46.09	49.47	7.3%
	20.00	20.37	1.9%
	25.55	25.93	1.5%
	4.55	4.64	2.0%
\$	159.99	\$ 167.33	

% Change over prior year

4.59%

Murieta Village Lot

		Average Usage in CF
Water		
	Residential Base	
old rate	Water Usage	\$0.0145 per cubic foot
new rate	Water Usage	\$0.0152 per cubic foot
Sewer		
Solid Waste (avg. 64 Gallon Container)		
Security Tax (Maximum Tax Ceiling \$6.36)		
Drainage Tax (Maximum Tax Ceiling \$3.10)		

	518	518	
\$	35.42	37.17	4.9%
	7.51	7.87	4.8%
	46.09	49.47	7.3%
	20.00	20.37	1.9%
	6.15	6.24	1.5%
	3.04	3.10	2.0%
\$	118.21	\$ 124.22	

% Change over prior year

5.09%

Vacant or Unmetered Lot

	Security Tax (Maximum Tax Ceiling \$21.12)	
*	Water Standby	\$10.00 PER YEAR
*	Sewer Standby	\$10.00 PER YEAR
	Drainage Tax (Maximum Tax Ceiling \$4.64)	

	20.04	20.34	1.5%
	0.83	0.83	0.0%
	0.83	0.83	0.0%
	4.55	4.64	2.0%
	\$26.25	\$26.64	

% Change over prior year

1.49%

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.

denotes increase in rates



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY COMBINED FUNDS

	<i>Actual</i> 2011-12	<i>Adopted</i> <i>Budget</i> 2012-13	<i>Projected</i> 2012-13	<i>%</i> <i>Variance</i> 2012-13	<i>Proposed</i> <i>Budget</i> 2013-2014	<i>% Change</i> <i>Budget</i> 2012-13
Revenues:						
Service Charges	4,570,251	4,933,470	4,971,716	0.8%	5,002,550	1.4%
Property Taxes	498,942	501,840	501,840	0.0	502,800	0.2%
Interest Earnings	533	1,100	931	-15.3	660	-40.0%
Other Charges / Reimbursements	102,305	85,175	127,985	50.3	93,030	9.2%
Total Revenues:	5,172,030	5,521,585	5,602,472	1.5%	5,599,039	1.4%
Expenditures:						
Total Operating Expenses:	5,057,071	5,522,266	5,481,652	-0.7%	5,599,120	1.4%
<i>Initial Overage (Deficit)</i>	114,959	(681)	120,820	-17852.8	(81)	-88.1
<i>Trans from Misc Reserves</i>	0	0	0	0.0	0	0.0
<i>Trans from Rate Stab. Fund</i>	0	0	0	0.0	0	0.0
<i>Transfer from Fund Balance</i>	0	0	0	0.0	0	0.0
Net Income (Loss)	114,959	(681)	120,820	-17852.8	(81)	-88.1
<i>Rate Transfers to Repl Reserves</i>	417,000	450,450	472,123	4.8	497,544	10.5
<i>Add'l Transfers to Repl Reserves</i>	0	0	0	0.0	0	0.0
Depreciation	1,106,100	1,100,095	1,117,038	1.5%	1,117,665	0.1%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - WATER FUND

April 25, 2013

	<i>Actual</i> 2011-12	<i>Adopted</i> Budget 2012-13	<i>Projected</i> 2012-13	<i>%</i> Variance 2012-13	<i>Proposed</i> Budget 2013-14	<i>% Change</i> Projected 2012-13	<i>% Change</i> Budget 2012-13
Revenues:							
Residential Sales	1,405,770	1,553,429	1,586,736	2.1%	1,589,840	0.2%	2.3%
Commercial Sales	150,197	171,756	169,954	-1.0	176,640	3.9	2.8%
Other Sales	8,467	8,415	13,432	59.6	8,410	-37.4	-0.1%
Availability Fees	350	350	340	-2.9	340	0.0	-2.9%
Late Charges	14,749	12,360	17,092	38.3	12,480	-27.0	1.0%
Telephone Line Contracts	5,225	5,195	5,348	2.9	5,350	0.0	3.0%
Meter Installation Fees	400	0	400	0.0	0	-100.0	0.0%
Interest Income	(235)	0	94	0.0	80	-14.8	0.0%
Inspection Fees	127	0	127	0.0	0	-100.0	0.0%
Project Reimbursement	0	0	0	0.0	0	0.0	0.0%
Other	4,513	4,500	9,670	114.9	6,000	-38.0	33.3%
Operating Revenues	1,589,563	1,756,005	1,803,193	2.7%	1,799,140	-0.2%	2.5%

Expenditures:

Water Source of Supply	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	12,582	9,876	14,106	42.8%	10,530	-25.4%	6.6%
Employers Costs	5,888	4,638	7,562	63.1	4,990	-34.0	7.6%
Power	46,067	45,400	51,170	12.7	47,000	-8.1	3.5%
Dam Inspection	36,306	37,000	31,720	-14.3	37,000	16.6	0.0%
Chemicals - Routine	8,477	6,500	5,942	-8.6	6,500	9.4	0.0%
Chemicals - Taste & Odor	0	50,000	38,954	-22.1	40,000	2.7	-20.0%
Maint/Repairs	23,864	15,000	14,997	0.0	10,000	-33.3	-33.3%
Equipment Rental	3,827	1,500	8,111	440.8	3,000	-63.0	100.0%
Supplies	192	500	623	24.7	600	-3.8	20.0%
Other	126	250	250	0.0	250	0.0	0.0%
Subtotals	137,328	170,664	173,436	1.6%	159,870	-7.8%	-6.3%

Water Treatment

	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	113,427	113,910	111,747	-1.9%	121,460	8.7%	6.6%
Employers Costs	38,938	53,520	51,763	-3.3	57,590	11.3	7.6%
Power	82,413	82,570	81,991	-0.7	82,570	0.7	0.0%
Chemicals	106,561	123,800	116,422	-6.0	118,000	1.4	-4.7%
Maint/Repairs	57,635	45,070	51,530	14.3	45,070	-12.5	0.0%
Lab Tests	33,741	40,000	34,446	-13.9	36,000	4.5	-10.0%
Equipment Rental	11,152	8,000	7,911	-1.1	8,000	1.1	0.0%
Taste & Odor Treatment	0	11,000	11,310	2.8	11,000	-2.7	0.0%
Supplies	18	500	500	0.0	500	0.0	0.0%
Other	0	500	500	0.0	500	0.0	0.0%
Subtotals	443,884	478,870	468,119	-2.2%	480,690	2.7%	0.4%

Water Transmission & Distr

	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	179,742	182,256	186,670	2.4%	194,330	4.1%	6.6%
Employers Costs	61,752	85,635	86,284	0.8	92,140	6.8	7.6%
Maint/Repairs	14,076	48,000	48,990	2.1	48,000	-2.0	0.0%
Meters/Box/Valve	26,021	55,000	55,460	0.8	54,000	-2.6	-1.8%
Power	38,995	36,480	38,967	6.8	36,480	-6.4	0.0%
Equipment Rental	18,983	12,000	12,814	6.8	12,000	-6.4	0.0%
Post Repair Road Paving	28,535	24,000	24,145	0.0	24,000	-0.6	0.0%
Supplies	7,088	4,000	4,579	14.5	4,000	-12.6	0.0%
Other	10,817	1,500	12,739	749.3	8,200	-35.6	446.7%
Subtotals	386,008	448,871	470,647	4.9%	473,150	0.5%	5.4%

BUDGET SUMMARY - WATER FUND

April 25, 2013

	<i>Actual</i> 2011-12	<i>Adopted</i> Budget 2012-13	<i>Projected</i> 2012-13	<i>%</i> Variance 2012-13	<i>Proposed</i> Budget 2013-14	<i>% Change</i> Projected 2012-13	<i>% Change</i> Budget 2012-13
Water Administration	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	87,831	104,040	105,119	1.0%	110,930	5.5%	6.6%
Employers Costs	74,068	48,886	45,279	-7.4	53,410	18.0	9.3%
Permits	19,413	32,000	23,669	-26.0	32,000	35.2	0.0%
Equipment Maint	15,303	8,000	10,104	26.3	8,000	-20.8	0.0%
Legal/Consulting	53,074	15,500	15,076	-2.7	30,500	102.3	96.8%
Vehicle Fuel	23,961	18,610	16,568	-11.0	18,860	13.8	1.3%
Training/Safety	9,166	9,140	11,436	25.1	7,500	-34.4	-17.9%
Regional Water Authority	15,156	11,410	11,706	2.6	11,410	-2.5	0.0%
Central Ground Water Authority	3,250	6,000	6,000	0.0	6,000	0.0	0.0%
South Area Water Council	3,250	6,000	6,000	0.0	6,000	0.0	0.0%
Supplies	6,110	5,500	5,032	-8.5	5,500	9.3	0.0%
Telephones	7,365	7,000	7,957	13.7	7,680	-3.5	9.7%
Information Systems Maint	3,993	6,000	6,436	7.3	7,200	11.9	20.0%
Vehicle Maint.	21,652	15,000	20,268	35.1	21,300	5.1	42.0%
Tools	5,171	4,000	5,951	48.8	4,000	-32.8	0.0%
CIA Ditch Operations	77	4,500	3,350	-25.6	3,500	4.5	-22.2%
Uniforms	2,770	3,800	3,399	-10.5	3,000	-11.7	-21.1%
Conservation	15,588	38,000	37,562	-1.2	38,000	1.2	0.0%
Travel/Meetings	1,375	2,500	2,282	-8.7	2,500	9.5	0.0%
Memberships	2,880	2,390	2,442	2.2	2,390	-2.1	0.0%
Bad Debts	(313)	500	500	0.0	500	0.0	0.0%
Building Maint	1,614	1,590	1,583	-0.5	1,680	6.2	5.7%
Nonroutine Maint/Repair	0	50,000	46,171	-7.7	50,000	8.3	0.0%
Other	5,350	6,000	7,457	24.3	6,000	-19.5	0.0%
Subtotals	378,103	406,366	401,348	-1.2%	437,860	9.1%	7.8%
Operating Expenses	1,345,323	1,504,771	1,513,550	0.6%	1,551,570	2.5%	3.1%
Reserve Expenditures	163,314	0	48,068		0		
General Fund Net Alloc	211,528	250,950	231,036	-7.9	247,570	7.2	-1.3%
Total Expenses	1,720,165	1,755,721	1,792,653	2.1%	1,799,140	0.4%	2.5%
Initial Overage(Deficit)	(130,602)	284	10,540	3611.1%	(0)	-100.0%	-100.1%
<i>Transfer from Fund Balance</i>	<i>0</i>	<i>0</i>	<i>0</i>		<i>0</i>		
<i>Transfer from Rate Stab Resr</i>	<i>0</i>	<i>0</i>	<i>0</i>		<i>0</i>		
Net Income (Loss)	(130,602)	284	10,540		(0)		
Depreciation	473,658	469,200	483,420	3.0%	484,062		

Replacement Reserves and Debt Service Summary

Debt Service Prefunding Collected
 Debt Service Repl Rsrv Collected
 Water Reserves Collected

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2011-12	<i>Adopted</i> Budget 2012-13	<i>Projected</i> 2012-13	<i>%</i> Variance 2012-13	<i>Proposed</i> Budget 2013-2014	<i>% Change</i> Projected 2012-13	<i>% Change</i> Budget 2012-13
Revenues:							
Residential Special Taxes	963,000	1,001,998	1,001,787	0.0%	1,016,930	1.5%	1.5%
Commercial Special Taxes	159,545	165,900	165,900	0.0	168,580	1.6	1.6%
Late Charges	29,499	24,720	34,183	38.3	27,480	-19.6	11.2%
Title Transfer Fees	3,700	2,400	4,600	91.7	3,000	-34.8	25.0%
Bar Code Income	7,360	6,600	7,340	11.2	7,000	-4.6	6.1%
Fines, Enforcement	2,100	2,100	2,100	0.0	2,100	0.0	0.0%
Special Events Permits	0	0	0	0.0	0	0.0	0%
Interest Income	546	640	598	-6.6	410	-31.4	-35.9%
Misc	4,687	4,150	6,015	44.9	4,150	-31.0	0.0%
Operating Revenues	1,170,436	1,208,508	1,222,523	1.2%	1,229,650	0.6%	1.7%

Expenditures:

Security Gates	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	276,568	283,000	278,738	-1.5%	284,700	2.1%	0.6%
Employers Costs	150,117	176,800	168,354	-4.8	187,400	11.3	6.0%
Information Systems Maint	4,556	6,700	5,742	-14.3	2,800	-51.2	-58.2%
Equipment Repairs	18,894	3,300	3,171	-3.9	3,300	4.1	0.0%
Bar Codes	6,295	5,360	3,658	-31.8	5,000	36.7	-6.7%
Telephones	5,303	4,850	5,664	16.8	5,000	-11.7	3.1%
Building Maint	3,583	2,950	3,065	3.9	3,200	4.4	8.5%
Power	2,172	2,810	2,758	-1.8	2,820	2.2	0.4%
Uniforms	217	2,400	1,631	-32.0	2,400	47.2	0.0%
Supplies	34	300	75	-75.0	200	166.7	-33.3%
Training/Safety	0	750	190	-74.7	600	215.8	-20.0%
Other	2,198	3,700	6,188	67.3	3,200	-48.3	-13.5%
Subtotals	469,937	492,920	479,234	-2.8%	500,620	4.5%	1.6%

Security Patrol	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	234,663	246,200	239,225	-2.8%	253,100	5.8%	2.8%
Employers Costs	127,131	130,500	126,109	-3.4	153,700	21.9	17.8%
Vehicle Fuel	22,667	20,460	18,077	-11.6	20,560	13.7	0.5%
Off Duty Sheriff Patrol	2,761	6,000	5,663	-5.6	6,000	6.0	0.0%
Vehicle Maint.	9,068	6,700	9,065	35.3	6,700	-26.1	0.0%
Vehicle Lease	0	5,400	1,925	-64.3	5,970	210.1	10.6%
Information Systems Maint	227	7,500	2,018	-73.1	3,800	88.3	-49.3%
Training/Safety	1,534	1,320	2,108	59.7	1,500	-28.8	13.6%
Safety Center	2,638	2,580	2,297	-11.0	2,400	4.5	-7.0%
Uniforms	991	2,400	1,571	-34.6	2,400	52.8	0.0%
Telephones	3,280	3,930	3,394	-13.6	3,270	-3.7	-16.8%
Equipment Repairs	206	1,100	391	-64.5	1,100	181.7	0.0%
Supplies	34	300	129	-56.9	300	132.3	0.0%
Other	718	2,000	1,185	-40.8	2,000	68.8	0.0%
Subtotals	405,920	436,390	413,157	-5.3%	462,800	12.0%	6.1%

BUDGET SUMMARY - SECURITY FUND

	<i>Actual</i> 2011-12	<i>Adopted</i> Budget 2012-13	<i>Projected</i> 2012-13	<i>%</i> Variance 2012-13	<i>Proposed</i> Budget 2013-2014	<i>% Change</i> Projected 2012-13	<i>% Change</i> Budget 2012-13
Security Administration							
Wages	81,077	83,900	85,903	2.4%	87,300	1.6%	4.1%
Employers Costs	38,831	44,000	36,453	-17.2	33,600	-7.8	-23.6%
Insurance	4,500	4,500	1,125	-75.0	0	-100.0	-100.0%
Legal/Consulting	11,604	3,500	6,560	87.4	3,500	-46.6	0.0%
Supplies	5,832	5,000	7,599	52.0	5,000	-34.2	0.0%
Telephones	398	420	377	-10.2	480	27.3	14.3%
Information System Maint	4,607	3,000	9,758	225.3	3,000	-69.3	0.0%
Training/Safety	1,421	1,200	1,350	12.5	1,200	-11.1	0.0%
Travel/Meetings	128	800	744	-6.9	800	7.5	0.0%
Uniforms	0	400	120	-70.0	400	233.3	0.0%
Bad Debts	(664)	600	600	0.0	600	0.0	0.0%
Equipment Maint	0	600	150	-75.0	600	300.0	0.0%
Other	4,246	600	1,626	170.9	600	-63.1	0.0%
Subtotals	151,978	148,520	152,365	2.6%	137,080	-10.0%	-7.7%
Operating Expenses	1,027,835	1,077,830	1,044,756	-3.1%	1,100,500	5.3%	2.1%
General Fund Net Allocation	110,386	130,960	120,566	-7.9	129,190	7.2	-1.4%
Total Expenses	1,138,221	1,208,790	1,165,322	-3.6%	1,229,690	5.5%	1.7%
Initial Overage(Deficit)	32,216	(282)	57,201	-20359.0%	(40)	-100.1%	-85.8%
<i>Transfer from Misc Reserves</i>	0	0	0		0		
<i>Transfer from Rate Stab Resr</i>	0	0	0		0		
Net Income (Loss)	32,216	(282)	57,201	-20359.0%	(40)	-100.1%	-85.8%
Depreciation	37,275	36,300	37,586	3.5%	38,014	1.1%	4.7%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SEWER FUND

April 25, 2013

	<i>Actual</i> 2011-12	<i>Adopted</i> Budget 2012-13	<i>Projected</i> 2012-13	<i>%</i> Variance 2012-13	<i>Proposed</i> Budget 2013-14	<i>% Change</i> Projected 2012-13	<i>% Change</i> Budget 2012-13
Revenues:							
Residential Service	1,018,722	1,124,442	1,125,999	0.1%	1,120,630	-0.5%	-0.3%
Commercial Service	107,832	118,882	118,885	0.0	116,700	-1.8	-1.8%
Availability Fees	410	410	410	0.0	410	0.0	0.0%
Late Charges	14,749	12,360	17,092	38.3	13,800	-19.3	11.7%
Interest Income	37	180	122	-32.5	140	15.2	-22.2%
Project Reimbursement	2,184	2,190	2,190	0.0	2,190	0.0	0.0%
Inspection Fees	127	0	127	0.0	0	-100.0	0.0%
Other	(4,122)	0	(4,122)	0.0	0	-100.0	0.0%
Operating Revenues	1,139,938	1,258,464	1,260,701	0.2%	1,253,870	-0.5%	-0.4%

Expenditures:

Sewer Collection	<i>11-12 Actual</i>	<i>12-13 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>13-14 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	67,567	106,316	91,996	-13.5%	113,360	23.2%	6.6%
Employers Costs	25,861	49,955	44,321	-11.3	53,750	21.3	7.6%
Power	15,032	17,450	15,667	-10.2	17,450	11.4	0.0%
Maint/Repairs	46,080	40,000	59,192	48.0	40,000	-32.4	0.0%
Equipment Rental	5,061	6,000	14,391	139.9	6,000	-58.3	0.0%
Supplies	5,989	3,000	4,900	63.3	3,300	-32.7	10.0%
Other	0	1,000	2,205	120.5	1,000	-54.7	0.0%
Subtotals	165,590	223,721	232,672	4.0%	234,860	0.9%	5.0%

Sewer Treatment & Disposal	<i>11-12 Actual</i>	<i>12-13 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>13-14 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	150,602	144,286	153,536	6.4%	153,850	0.2%	6.6%
Employers Costs	55,379	67,795	71,170	5.0	72,950	2.5	7.6%
Power	124,862	126,510	134,926	6.7	126,510	-6.2	0.0%
Maint/Repairs	100,386	75,000	79,192	5.6	75,000	-5.3	0.0%
Chemicals	68,957	79,310	55,367	-30.2	70,300	27.0	-11.4%
Lab Tests	37,789	38,250	38,257	0.0	38,250	0.0	0.0%
Supplies	769	1,800	1,353	-24.8	1,800	33.0	0.0%
Equipment Rental	20,516	10,000	9,126	-8.7	10,000	9.6	0.0%
Sludge Removal Off Site	8,626	9,000	14,134	57.0	9,000	-36.3	0.0%
Subtotals	567,886	551,951	557,061	0.9%	557,660	0.1%	1.0%

BUDGET SUMMARY - SEWER FUND

April 25, 2013

	<i>Actual</i> 2011-12	<i>Adopted</i> Budget 2012-13	<i>Projected</i> 2012-13	<i>%</i> Variance 2012-13	<i>Proposed</i> Budget 2013-14	<i>% Change</i> Projected 2012-13	<i>% Change</i> Budget 2012-13
Sewer Administration							
Wages	62,170	45,564	48,455	6.3%	48,590	0.3%	6.6%
Employers Costs	50,420	21,410	20,028	-6.5	23,630	18.0	10.4%
Equipment Maint	21,643	17,500	17,759	1.5	17,500	-1.5	0.0%
Vehicle Fuel	11,244	13,970	11,525	-17.5	13,970	21.2	0.0%
Permits	25,690	26,540	29,878	12.6	27,300	-8.6	2.9%
Legal/Consulting	23,838	70,000	71,921	2.7	50,000	-30.5	-28.6%
Training/Safety	18,694	14,200	15,524	9.3	14,200	-8.5	0.0%
Supplies	4,806	4,200	4,141	-1.4	4,200	1.4	0.0%
Information Systems Maint	3,121	8,250	5,182	-37.2	6,000	15.8	-27.3%
Vehicle Maint.	2,779	8,200	7,417	-9.6	6,000	-19.1	-26.8%
Tools	7,282	5,000	4,715	-5.7	4,200	-10.9	-16.0%
Telephones	6,786	6,600	7,492	13.5	6,240	-16.7	-5.5%
Uniforms	3,037	3,400	3,244	-4.6	3,400	4.8	0.0%
Travel/Meetings	1,370	2,000	1,903	-4.8	2,000	5.1	0.0%
Building Maint	1,614	1,590	1,589	-0.1	1,630	2.6	2.5%
Copier Maintenance	966	500	500	0.0	500	0.0	0.0%
Memberships	880	400	992	148.0	400	-59.7	0.0%
Bad Debts	(320)	600	300	-50.0	600	100.0	0.0%
Sewer General Fine	400	0	0	0.0	0	0.0	0.0%
Nonroutine Maint/Repair	16,425	40,000	34,868	-12.8	40,000	14.7	0.0%
Other	3,101	2,000	1,828	-8.6	2,000	9.4	0.0%
Subtotals	265,946	291,924	289,261	-0.9%	272,360	-5.8%	-6.7%
Operating Expenses	999,421	1,067,596	1,078,994	1.1%	1,064,880	-1.3%	-0.3%
Reserve Expenditures	0	0	0		0		
General Fund Net Allocation	161,501	191,600	176,395	-7.9	189,020	7.2	-1.3%
Total Expenses	1,160,922	1,259,196	1,255,389	-0.3%	1,253,900	-0.1%	-0.4%
Initial Overage(Deficit)	(20,985)	(732)	5,312	-825.2%	(30)	-100.6%	-95.9%
<i>Transfer from Misc Reserve:</i>	0	0	0		0		
<i>Transfer from Rate Stab Res</i>	0	0	0		0		
Net Income (Loss)	(20,985)	(732)	5,312		(30)		
Depreciation	595,167	594,595	596,032	0.2	595,589	-0.1	0.2

Replacement Reserves and Debt Service Summary

Debt Service Prefunding Collected
 Debt Service Repl Rsrv Collected
 Sewer Reserves Collected

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - DRAINAGE FUND

April 25, 2013

	<i>Actual</i> 2011-12	<i>Adopted</i> <i>Budget</i> 2012-13	<i>Projected</i> 2012-13	<i>%</i> <i>Variance</i> 2012-13	<i>Proposed</i> <i>Budget</i> 2013-14	<i>% Change</i> <i>Projected</i> 2012-13	<i>% Change</i> <i>Budget</i> 2012-13
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Revenues:

Residential Special Taxes	136,514	148,254	147,898	-0.2%	151,200	2.2%	2.0%
Commercial Special Taxes	26,448	28,654	28,636	-0.1	29,230	2.1	2.0%
Interest Income	185	280	118	-57.7	30	-74.6	-89.3%
Inspection Fees	0	0	0	0.0	0	0.0	0.0%
Other	(198)	0	0	0.0	0	0.0	0.0%
Operating Revenues	162,949	177,188	176,652	-0.3%	180,460	2.2%	1.8%

Expenditures:

	11-12 Actual	12-13 Budget	Projected	Variance	13-14 Budget	Variance	Variance
Wages	52,716	53,158	50,516	-5.0	56,680	12.2	6.6%
Employers Costs	24,482	24,980	23,400	-6.3	26,990	15.3	8.0%
MS4 Permit	4,852	4,000	4,852	21.3	5,000	3.1	25.0%
Power	16,251	15,500	14,478	-6.6	15,500	7.1	0.0%
Chemicals	1,520	5,400	3,779	-30.0	5,400	42.9	0.0%
Maint/Repairs	6,774	12,000	11,738	-2.2	11,900	1.4	-0.8%
Equipment Rental	4,311	5,500	5,208	-5.3	4,500	-13.6	-18.2%
Improvements	8,011	12,000	12,000	0.0	12,000	0.0	0.0%
Legal/Consulting	2,280	3,000	3,000	0.0	2,000	-33.3	-33.3%
Uniforms	0	200	200	0.0	200	0.0	0.0%
Tools	2,325	400	400	0.0	400	0.0	0.0%
Bad Debts	2	0	0	0.0	0	0.0	0.0%
Other	301	1,500	566	-62.3	1,100	94.4	-26.7%
Subtotals	123,825	137,638	130,137	-5.5%	141,670	8.9%	2.9%
Operating Expenses	123,825	137,638	130,137	-5.5%	141,670	8.9%	2.9%
Reserve Expenditures	0	0	23,289		0		
General Fund Net Allocation	33,170	39,350	36,229	-7.9	38,820	7.2	-1.3%
Total Expenses	156,995	176,988	189,655	7.2%	180,490	-4.8%	2.0%
Net Income (Loss)	5,954	200	(13,003)	-6593.9%	(30)	-99.8%	-114.8%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - SOLID WASTE FUND

April 25, 2013

	<i>Actual</i> 2011-12	<i>Adopted</i> <i>Budget</i> 2012-13	<i>Projected</i> 2012-13	<i>%</i> <i>Variance</i> 2012-13	<i>Proposed</i> <i>Budget</i> 2013-14	<i>% Change</i> <i>Projected</i> 2012-13	<i>% Change</i> <i>Budget</i> 2012-13
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Revenues:

Solid Waste Charges	592,996	610,981	611,739	0.1%	623,640	1.9%	2.1%
Other	386	600	411	-31.5	400	-2.7%	-33.3%
Operating Revenues	593,383	611,581	612,150	0.1	624,040	1.9%	2.0%

Expenditures:

	<i>11-12 Actual</i>	<i>12-13 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>13-14 Budget</i>	<i>Variance</i>	<i>Variance</i>
CWRS Contract	508,738	533,520	534,897	0.3%	545,160	1.9%	2.2%
Sac. County Admin. Fee	32,834	33,960	33,461	-1.5	35,040	4.7%	3.2%
Consulting/Legal	0	0	1,113	0.0	0	-100.0%	0.0%
HHW Event	0	12,000	23,568	96.4	12,000	-49.1%	0.0%
Bad Debts	0	0	0	0.0	0	0.0%	0.0%
Total Expenses	541,572	579,480	593,039	2.3	592,200	-0.1%	2.2%
Operating Expenses	541,572	579,480	593,039	2.3	592,200	-0.1%	2.2%
General Fund Net Allocation	27,189	32,260	29,696	-7.9	31,820	7.2%	-1.4%
Total Expenses	568,761	611,740	622,735	1.8	624,020	0.2%	2.0%
Net Income (Loss)	24,622	(159)	(10,585)	6557.5	20	0.0%	-112.6%

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

BUDGET SUMMARY - GENERAL FUND

April 25, 2013

	<i>Actual</i>	<i>Adopted</i>		<i>%</i>	<i>Proposed</i>	<i>% Change</i>	<i>% Change</i>
	<i>2011-12</i>	<i>Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>Budget</i>	<i>Projected</i>	<i>Budget</i>
		<i>2012-13</i>	<i>2012-13</i>	<i>2012-13</i>	<i>2013-14</i>	<i>2012-13</i>	<i>2012-13</i>
Revenues:							
Property Taxes	498,942	501,840	501,840	0.0%	502,800	0.2%	0.2%
Title Transfer Fees	6,500	4,800	9,050	88.5	6,000	-33.7	25.0%
Project Reimbursement	0	0	12,868	0.0	0	-100.0	0.0%
Interest	264	200	135	-32.5	80	-40.7	-60.0%
CIA Ditch Admin Service Charges	1,800	1,800	1,800	0.0	1,800	0.0	0.0%
Other	8,256	1,200	1,561	30.1	1,200	-23.1	0.0%
Total Operating Revenues	515,762	509,840	527,254	3.4%	511,880	-2.9%	0.4%

Expenditures:	<i>11-12 Actual</i>	<i>12-13 Budget</i>	<i>Projected</i>	<i>Variance</i>	<i>13-14 Budget</i>	<i>Variance</i>	<i>Variance</i>
Wages	482,044	502,500	505,942	0.7%	534,200	5.6%	6.3%
Director Meeting Stipends	12,100	18,000	14,800	-17.8	18,000	21.6	0.0%
Employers Costs	254,620	275,200	272,686	-0.9	292,300	7.2	6.2%
Liability Insurance	54,224	54,060	44,914	-16.9	45,000	0.2	-16.8%
Information Systems Maintenance	45,102	95,400	55,126	-42.2	79,000	43.3	-17.2%
Community Communications	12,023	5,900	5,115	-13.3	5,900	15.3	0.0%
Legal	20,385	25,000	26,847	7.4	25,000	-6.9	0.0%
Office Supplies	23,066	19,200	20,541	7.0	19,200	-6.5	0.0%
Building/Grounds Maintenance	20,332	16,800	32,025	90.6	16,800	-47.5	0.0%
Postage	19,302	21,780	20,935	-3.9	21,780	4.0	0.0%
Telephones	4,480	4,320	4,827	11.7	4,620	-4.3	6.9%
Contingency	0	11,000	11,000	0.0	11,000	0.0	0.0%
Audit	13,000	15,100	13,000	-13.9	13,500	3.8	-10.6%
Consulting	10,385	3,600	3,100	-13.9	3,600	16.1	0.0%
Memberships	9,416	9,890	8,624	-12.8	9,890	14.7	0.0%
Training/Safety	6,386	6,000	5,965	-0.6	6,000	0.6	0.0%
Power	8,421	8,670	8,011	-7.6	8,670	8.2	0.0%
Meetings	5,717	7,000	9,155	30.8	8,000	-12.6	14.3%
Director Expense Reimbursement	7,799	5,200	5,899	13.4	5,200	-11.8	0.0%
Vehicle Fuel	3,305	4,590	1,930	-58.0	1,200	-37.8	-73.9%
Equipment Maint	1,590	2,000	2,090	4.5	2,000	-4.3	0.0%
Election Costs	0	5,000	4,327	-13.5	0	-100.0	-100.0%
Mail Machine Lease	2,782	2,840	2,819	-0.7	2,840	0.8	0.0%
Copy Machine Maintenance	8,931	8,100	12,149	50.0	9,600	-21.0	18.5%
Vehicle Maint	3,908	2,000	2,281	14.1	2,000	-12.3	0.0%
Clerical Services	0	0	7,418	0.0	0	-100.0	0.0%
Other	29,809	25,800	19,649	-23.8	3,000	-84.7	-88.4%
Total Operating Expenses	1,059,130	1,154,950	1,121,177	-2.9%	1,148,300	2.4%	-0.6%

Overage(Deficit)	(543,368)	(645,110)	(593,922)	-7.9%	(636,420)	7.2%	-1.3%
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2013 - 2014 Capital Improvement Projects List

Project Number	Est Qtr	Project Description	Budget Amount	Funding Source	Life Years	Status
Water / Sewer Department						
1	01-03-1	Geographical Information System (GIS)	100,000	Capital Improvement Reserves	N/A	
2	03-06-2	Security Access System - Water & Wastewater Facilities	40,000	Replacement Reserves - Water / Sewer	10	
3	03-07-1	Wastewater PLC upgrade	30,000	Sewer Replacement Reserves	10	complete
4	05-06-1	Granlees Site Access Restriction Improvements	100,000	Capital Improvement Reserves	20	
5	08-05-1	WTP Paint & Exterior Siding Repair	30,000	Replacement Reserves - Water	20	
6	08-07-1	Bobcat Compact Track Loader	54,000	Replacement Reserves - Water & Sewer		
8	10-05-1	Excavate Sediment out of Calero	20,000	Replacement Reserves		
9	11-01-1	Utility Cart (awd)	15,000	50/50 Water/Sewer Operating Budget	5	complete
10	11-02-1	Truck Purchase (1 ton, 4wd, tool box)	45,000	Replacement Reserves - Water	5	
11	11-03-1	Fueling Station	40,000	Replacement Reserves - borrow & repay	10	
12	12-01-2	Dump Truck	100,000	Capital Improvements Reserves (Water/Sewer)		
13	12-02-2	Wastewater Facility Fencing	25,000	Capital Improvements Reserves - Sewer		complete
14	12-03-2	Hole 15 Culvert Replacement	60,000	Drainage Reserves and Fund Balance		complete
15	12-04-2	Main Lift North Wet Well Rehabilitation	250,000	Sewer Replacement Reserves and Operating Budget		in process
16	12-05-2	Wastewater Facility Paving	45,000	Replacement Reserves - Sewer		complete
17	12-06-2	Wastewater Reclamation Plant Valve Replacement	35,000	Replacement Reserves - Sewer		complete
18	12-07-2	6B Generator Replacement	35,000	Replacement Reserves - Sewer		complete
19	13-xx-2	Hole 13 Culvert Replacement	25,000	Replacement Reserves - Drainage		
20	13-xx-2	WWRP Filter PLC Replacement	125,000	Replacement Reserves - Sewer		
Department Subtotal			\$1,174,000			
Security Department						
19	05-12-3	Wireless Network Site Survey, Acquisition & Startup Costs	100,000	Capital Improvement Reserves	15	
Department Subtotal			\$ 100,000			
Admin Department						
20	04-12-4	Records Storage Vault	20,000	Capital Improvement Reserves	25	
21	10-07-4	Electronic Document Management System	25,000	Unrestricted Cash		
22	10-08-4	Email Exchange Server	20,000	Unrestricted Cash		
Department Subtotal			\$ 65,000			
2013-14 Grand Totals			\$1,339,000			

Project number consists of AA-BB-C
AA - The year the project is to begin
BB - The actual project number assigned for the current year
C - The department requesting the project
1 - Water
2 - Sewer / Drainage
3 - Security
4 - Admin

CAPITAL EXPENDITURE REQUEST**Date:** April 17, 2013**PROJECT REQUEST SUMMARY****Department:** Sewer**PROJECT NAME:** WWRP Filter PLC replacement**PLANNING:** RMCSO / TESCO**PROJECT CATEGORY:** Sewer Replacement Reserves

DESIGN: N/A

PROJECT NUMBER: 13-XX-2

CONSTRUCTION:

PROJECT STAFFING:

PLANNING: Paul Siebensohn / David Herrmann

DESIGN: N/A

CONSTRUCTION: N/A

WORK ORDERS:

PLANNING:

DESIGN:

CONSTRUCTION:

SCOPE/DESCRIPTION:

PLANNING: District staff / TESCO

ENVIRONMENTAL: N/A

DESIGN: TESCO

CONSTRUCTION: N/A

PHASE	START DATE	ESTIMATED COMPLETION DATE	ESTIMATED TIME REQUIRED
PLANNING	September 2013	October 2013	4 weeks
ENVIRONMENTAL	N/A		
BID	October 2013	November 2013	4 weeks
COMPLETION	January 2014	March 2014	

PROJECT OBJECTIVES:

Replace the no longer supported or available MODICON PLC's with modern supported PLC for long term viability of filtration control center, as well as for future tie-in to SCADA.

POTENTIAL BENEFITS:

TANGIBLE: Provides District with reliable and supportable equipment for long term use .

INTANGIBLE: Prevention of the potential for excessive down time due to equipment failure which could create a backup in secondary wastewater storage.

CAPITAL EXPENDITURE REQUEST

Date: April 17, 2013

PROJECT REQUEST SUMMARY**Department: Sewer****PROJECT NAME:** WWRP Filter PLC replacement**PROJECT IMPACTS:**

ENVIRONMENTAL: N/A

RIGHT OF WAY: N/A

AGENCY APPROVALS: N/A

WATER RIGHTS: N/A

OPERATING: N/A

CAPACITY: N/A

PROJECT BUDGET	PLAN	ENVIRON	DESIGN	COMPLETION	TOTAL
ORIGINAL BUDGET					
INITIAL PERIODS OF FUNDING	0	0	0		0
CURRENT PROJECT BUDGET	0	0		0	\$0
ADJUSTED PROJECT BUDGET					
PROJECT FUNDING					
REPLACEMENT RESERVES					\$125,000
UNRESTRICTED CASH	0				
CAPITAL IMPROVEMENT FEES	0				
DEVELOPER CONTRIBUTIONS	0				
OTHER					

PROJECT FUNDING COMMENTS:

Funding to come from Sewer Replacement Reserves.

CAPITAL EXPENDITURE REQUEST**Date:** April 10, 2013**PROJECT REQUEST SUMMARY****Department:** Drainage**PROJECT NAME:** Hole 13 North Culvert Replacement**PLANNING:** RMCCSD / RMCC**PROJECT CATEGORY:** Fund balance / Reserves

DESIGN: Paul Siebensohn

PROJECT NUMBER: 13-XX-2

CONSTRUCTION:

PROJECT STAFFING:

PLANNING: Paul Siebensohn

DESIGN: Paul Siebensohn

CONSTRUCTION: District staff and contractor

WORK ORDERS:

PLANNING:

DESIGN:

CONSTRUCTION:

SCOPE/DESCRIPTION:

PLANNING: District staff & RMCC

ENVIRONMENTAL: n/a

DESIGN: Drainage flow must accommodate watershed flow through two (2) 36" pipes as well as minimal flow during construction, utilizing long lasting materials at a reasonable cost.

CONSTRUCTION: n/a

PHASE	START DATE	ESTIMATED COMPLETION DATE	ESTIMATED TIME REQUIRED
PLANNING	July -August 2013	September 2013	2 weeks
ENVIRONMENTAL	N/A		
BID	September 2013	October 2013	3 weeks
COMPLETION	To be coordinated	with RMCC, by Nov.2013	3 weeks

PROJECT OBJECTIVES:

Replace two 36" squash CMP with two 36" HDPE pipes to restore functionality of collapsing drainage pipe.

POTENTIAL BENEFITS:**TANGIBLE:** Function of drainage.**INTANGIBLE:** Safety for golf course due to potential collapsing of existing pipes.

CAPITAL EXPENDITURE REQUEST**Date:** April 10, 2013**PROJECT REQUEST SUMMARY****Department:** Drainage**PROJECT NAME:** Hole 13 North Culvert Replacement**PROJECT IMPACTS:**

ENVIRONMENTAL: N/A

RIGHT OF WAY: Coordinate with RMCC for access

AGENCY APPROVALS: N/A

WATER RIGHTS: N/A

OPERATING: RMCC

CAPACITY: N/A

PROJECT BUDGET	PLAN	ENVIRON	DESIGN	COMPLETION	TOTAL
ORIGINAL BUDGET					
INITIAL PERIODS OF FUNDING	0	0	0		0
CURRENT PROJECT BUDGET	0	0		0	\$0
ADJUSTED PROJECT BUDGET					
PROJECT FUNDING					
REPLACEMENT RESERVES					\$25,000
UNRESTRICTED CASH	0				
CAPITAL IMPROVEMENT FEES	0				
DEVELOPER CONTRIBUTIONS	0				
OTHER					

PROJECT FUNDING COMMENTS:

Funding to come from Drainage Replacement Reserve.

RESOLUTION # 2013-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR 2013-14

WHEREAS, District departments have submitted estimates of budget requirements for Fiscal Year 2013-2014 and those estimates have been reviewed by the General Manager and Finance Committee; and

WHEREAS, the General Manager has submitted the tabulations of said estimates together with proposed revisions to the Board of Directors; and

WHEREAS, the Board of Directors has reviewed and considered the proposed budget for Fiscal Year 2013-2014; and

BE IT RESOLVED AND ORDERED that the proposed budget for Fiscal Year 2013-2014, as submitted by the District Finance Officer and as reviewed by the Board of Directors is a proper financial program for the budget period and constitutes the proposed budget for 2013-2014; and

BE IT FURTHER RESOLVED AND ORDERED that a public presentation was conducted for the budget for the Fiscal Year 2013-2014 on May 15, 2013 at 5:30 p.m. in the Board Room at 15160 Jackson Road, Rancho Murieta, California.

NOW, THEREFORE, it is resolved that the District's 2013-2014 Budget is hereby adopted and ordered filed with the County Auditor of Sacramento County in accordance with Section 5931 of the Government Code.

PASSED AND ADOPTED this 15th day of May 2013, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

[SEAL]
Attest:

Suzanne Lindenfeld, District Secretary

MEMORANDUM

Date: May 10, 2013
To: Board of Directors
From: Darlene Gillum, Director of Administration
Subject: Review of 2013-14 Proposed Rate and Special Tax Adjustments

RECOMMENDED ACTION

Introduce Ordinance 2013-01, an Ordinance of the Rancho Murieta Community Services District, amending Chapter 14 of the District Code relating to Water; amending Chapter 15 of the District Code relating to Sewer; amending Chapter 16 of the District Code relating to Drainage; amending Chapter 16A of the District Code relating to Drainage Tax; amending Chapter 21 of the District Code relating to Security Code; and amending Chapter 31 of the District Code relating to Solid Waste Collection and Disposal, waive the full reading of the Ordinance and continue to the June 19, 2013 Board meeting for adoption.

BACKGROUND

The purpose of this rate adjustment hearing is to receive community input on the rate adjustments as well as to receive Board direction addressing adjustments based on community input.

The budget previewed in March was the basis for rate adjustment notices to the community.

To formally adopt new rates, various chapters of the District Code will be changed by approving the attached Ordinance 2013-01, which reflects the rates associated with the March draft budget. The actual rates implemented will be lower if the most recent budget draft is approved by the board of directors.

Rate Adjustment Overview

Staff is recommending the following increases to the Water, Sewer and Solid Waste enterprise funds and the Security and Drainage special tax rates based on the May budget draft (these rates are lower than those published in Ordinance 2013-01 and lower than the Prop 218 notice rates):

WATER

The proposed 2013-14 monthly bill changes for an average consumption residential metered lot are: **\$3.12 per month**, which is related to the increase in the Water Treatment Plant 1 rehabilitation project contribution (i.e., debt service prefunding). **There is no increase in water rates for day-to-day operations.**

	Current Rate 2012-13	Proposed 2013-14
Base Charge (w/o reserve contribution)	\$29.28	\$30.78
Reserve Contribution	\$6.14	\$6.34
Usage Charge (per cf)	\$.0145	\$.0152
<ul style="list-style-type: none"> Non-residential customers are charged one base charge per month per meter plus the reserve contribution times their Water EDU (equivalent dwelling unit) value plus usage 		

SEWER

The proposed 2013-14 monthly bill changes for a residential metered lot are: **\$3.38 per month** increase. \$3.65 is related to the increase in the Van Vleck Ranch permanent reclaimed water irrigation field project contribution (i.e., debt service prefunding). **There is a \$.27 reduction per month in the sewer rate for day-to-day operations.**

	Current Rate 2012-13	Proposed 2013-14
Base Charge (w/o reserve contribution)	\$37.86	\$40.74
Reserve Contribution	\$8.23	\$8.73
<ul style="list-style-type: none"> Non-residential customers are charged the base charge plus the reserve contribution times their Sewer EDU (equivalent dwelling unit) value 		

SOLID WASTE

The proposed 2013-14 monthly bill changes for a 64 gallon container are: **\$.38 per month** increase (for the container and the Sacramento County Surcharge) inclusive of the operational increase in the California Waste Recovery Services and the increase in the Sacramento County Surcharge.

	Current Rate 2012-13	Proposed 2013-14
38 gallon container (T38)	\$17.20	\$17.52
64 gallon container (T64)	\$18.84	\$19.19
96 gallon container (T96)	\$28.06	\$28.58
Sac County Surcharge	\$1.16	\$1.19
Extra Cart (38 gallon)	\$7.62	\$7.89
Extra Cart (64 gallon)	\$9.56	\$9.86
Extra Cart (96 gallon)	\$20.46	\$21.00
Extra Recycle Cart	\$6.02	\$6.28
Extra Yard Waste Cart	\$6.02	\$6.28
Yard Waste Exemption	(\$2.00)	(\$2.00)

DRAINAGE

The proposed 2013-14 monthly bill changes for a residential metered lot are: **\$.09 per month** increase for operational increases and MS4 permitting increase.

	Current Rate 2012-13	Proposed 2013-14	Max Rate 2013-14
Developed Property			
Residential (per lot)			
Metered	\$4.55	\$4.64	\$4.64
Unmetered	\$4.55	\$4.64	\$4.64
The Villas	\$3.04	\$3.10	\$3.10
Murieta Village	\$3.04	\$3.10	\$3.10
Non-Residential (per acre)			
1 Retail	\$22.724	\$23.178	\$23.178
2 Industrial/Whse	\$24.142	\$24.625	\$24.625
3 Light Industrial	\$18.461	\$18.830	\$18.860
4 Office	\$21.303	\$21.729	\$21.729
5 Landscape (golf course/park sites)	\$4.261	\$4.346	\$4.346
6 Murieta Equestrian Center	\$1.644	\$1.677	\$1.677
7 RMCC (club house and parking)	\$0.000	\$0.000	\$0.000
8 Airport	\$1.893	\$1.931	\$1.931
9 Geyer Property	\$14.201	\$14.485	\$14.485
Undeveloped Property			
Residential & Non- Residential	\$2.686	\$2.740	\$2.740

SECURITY

The proposed 2013-14 monthly bill changes for a residential inside-gate metered lot are: **\$.38 per month** increase for operational increases.

Developed Property	Current Rate 2012-13	Proposed 2013-14	Max Rate 2013-14
Residential (per lot) Inside Gates			
Metered	\$25.55	\$25.93	\$26.40
Unmetered	\$20.04	\$20.34	\$21.12
Outside Gates	\$6.15	\$6.24	\$6.36
Non-Residential (per Building square foot)			
1 Highway Retail	\$.2303	\$.2338	\$.2378
2 Other Retail/comm.	\$.0249	\$.0253	\$.0257
3 Industrial/Whse/Lt Industrial	\$.0542	\$.0550	\$.0560
4 Office	\$.0129	\$.0131	\$.0134
5 Institutional	\$.0129	\$.0131	\$.0134
6 Public Utility	\$.0413	\$.0419	\$.0426
7 Murieta Equestrian Center	\$.0036	\$.0037	\$.0039
8 RMCC	\$.0650	\$.0660	\$.0670
9 Airport	\$.0165	\$.0167	\$.0170
Undeveloped Property (per acre)			
Inside Gates	\$21.6382	\$21.9628	\$22.3319
Outside Gates	\$3.2244	\$3.2728	\$3.3279

The average increase in the monthly bill for a residential metered lot is approximately 4.59% as a result of these recommended rate increases. Please refer to the attached Sample Bill.

Sample Bill - May 2013



Rancho Murieta Community Services District

Average Monthly Customer Bill

Residential Metered Lot

Water		Average Usage in CF
Residential Base		
old rate	Water Usage	\$0.0145 per cubic foot
new rate	Water Usage	\$0.0152 per cubic foot
Sewer		
Solid Waste (avg. 64 Gallon Container)		
Security Tax (Maximum Tax Ceiling \$26.40)		
Drainage Tax (Maximum Tax Ceiling \$4.64)		

	Current Monthly Rates July 1, 2012	Proposed Monthly Rates July 1, 2013	% Change
	1957	1957	
\$	35.42	37.17	4.9%
	28.38	29.75	4.8%
	46.09	49.47	7.3%
	20.00	20.37	1.9%
	25.55	25.93	1.5%
	4.55	4.64	2.0%
\$	159.99	\$ 167.33	

% Change over prior year

4.59%

Murieta Village Lot

Water		Average Usage in CF
Residential Base		
old rate	Water Usage	\$0.0145 per cubic foot
new rate	Water Usage	\$0.0152 per cubic foot
Sewer		
Solid Waste (avg. 64 Gallon Container)		
Security Tax (Maximum Tax Ceiling \$6.36)		
Drainage Tax (Maximum Tax Ceiling \$3.10)		

	518	518	
\$	35.42	37.17	4.9%
	7.51	7.87	4.8%
	46.09	49.47	7.3%
	20.00	20.37	1.9%
	6.15	6.24	1.5%
	3.04	3.10	2.0%
\$	118.21	\$ 124.22	

% Change over prior year

5.09%

Vacant or Unmetered Lot

Security Tax (Maximum Tax Ceiling \$21.12)		20.04	20.34	1.5%
* Water Standby	\$10.00 PER YEAR	0.83	0.83	0.0%
* Sewer Standby	\$10.00 PER YEAR	0.83	0.83	0.0%
Drainage Tax (Maximum Tax Ceiling \$4.64)		4.55	4.64	2.0%

	\$26.25	\$26.64	
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% Change over prior year

1.49%

* This fee is billed annually at \$10.00 and is shown as a monthly rate for comparison purposes only.

denotes increase in rates

ORDINANCE NO. 2013-01

AN ORDINANCE OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT, AMENDING CHAPTER 14 OF THE DISTRICT CODE, RELATING TO WATER; AMENDING CHAPTER 15 OF THE DISTRICT CODE RELATING TO SEWER; AMENDING CHAPTER 16 OF THE DISTRICT CODE RELATING TO DRAINAGE; AMENDING CHAPTER 16A OF THE DISTRICT CODE RELATING TO DRAINAGE TAX; AMENDING CHAPTER 21 OF THE DISTRICT CODE RELATING TO SECURITY CODE; AND AMENDING CHAPTER 31 OF THE DISTRICT CODE RELATING TO SOLID WASTE COLLECTION AND DISPOSAL

BE IT ORDAINED by the Board of Directors of the Rancho Murieta Community Services District, Rancho Murieta, Sacramento County, California, as follows:

SECTION ONE:

I) The Water Code, Chapter 14, Section 7.00 Rates and Charges is amended as follows:

Section 7.05 Rates for Metered Service.

(a) General metered service shall be as follows:

MONTHLY CHARGES

Basic service charge \$28.53/mo

Debt service prefunding \$ 2.25/mo

Reserve contribution \$ 6.39/mo

Total Basic Service Charge \$37.17/mo

Usage charge per cubic foot:

Basic volumetric rate \$ 0.0140/cu. ft.

Debt service prefunding volumetric rate \$.0012/cu. ft.

Total Usage Charge per cubic foot \$.0152/cu. ft.

(b) Metered service to residential lots at Murieta Village shall be as follows:

MONTHLY CHARGES

Basic service charge \$28.53/mo

Debt service prefunding \$ 2.25/mo

Reserve contribution \$ 6.39/mo

Total Basic Service Charge \$37.17/mo

Usage charge per cubic foot:

Basic volumetric rate \$ 0.0140/cu. ft.

Debt service prefunding volumetric rate \$.0012/cu. ft.

Total Usage Charge per cubic foot \$.0152/cu. ft.

(c) Non-Residential metered service shall be as follows:

MONTHLY CHARGES

Basic service charge for non-residential shall be based on an EDU basis

Monthly Charges

Basic service charge for non-residential metered service shall be calculated on number of meters and an EDU basis for each customer multiplied by the basic service charge reflected in Section 7.05 a. above.

Usage charge per cubic foot:

Basic volumetric rate	\$ 0.0140/cu. ft.
Debt service prefunding volumetric rate	<u>\$.0012/cu. ft.</u>

Total Usage Charge per cubic foot \$.0152/cu. ft.

II) The Sewer Code, Chapter 15, Section 7.00 Rates and Charges, is amended as follows:
Section 7.03 Rates and Charges for Service. The monthly service charge for each premise receiving sewer service from the District shall be:

Residential or other premises, each unit

Base rate	\$37.59 per month
Debt service prefunding	\$ 3.15 per month
Reserve contribution	\$ 6.81 per month
CDO Reimbursement	<u>\$ 1.92 per month</u>
Total monthly service charge	\$49.47 per month

Murieta Village, per unit

Base rate	\$37.59 per month
Debt service prefunding	\$ 3.15 per month
Reserve contribution	\$ 6.81 per month
CDO Reimbursement	<u>\$ 1.92 per month</u>
Total monthly service charge	\$49.47 per month

Non-Residential

Monthly service charge for non-residential sewer service shall be calculated on an EDU basis for each customer multiplied by the residential service charge.

III) The Drainage Code, Chapter 16, Section 7.00 Rates and Charges, is amended as follows:
Section 7.01 Rates and Charges: Drainage charges for operation and maintenance of the District's system shall be as set forth in Chapter 16A, Section 3.00.

The Drainage Code, Chapter 16A, Section 3.00 Drainage Tax, is amended as follows:

Section 3.00 Rates and Charges for Operation and Maintenance of the District's system shall be:

Commencing July 1, 2013, property within the District shall be assessed a monthly drainage tax as follows. The maximum monthly tax rates shown reflect annual adjustments, per Section 5.00.

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LAND USE		Monthly Special Tax Rates Fiscal Year 2013-14	Monthly Special Tax Rates Maximum Ceiling Rate Year 2013-14
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DEVELOPED PROPERTY

Residential

-Metered Developed	Per Lot	\$ 4.64	4.64
-Unmetered Developed	Per Lot	\$ 4.64	4.64
-The Villas	Per Lot	\$ 3.10	3.10
-Murieta Village	Per Lot	\$ 3.10	3.10

Non-Residential

-Retail	Per Acre	\$ 23.178	23.178
-Industrial/Warehouse	"	\$ 24.625	24.625
-Light Industrial	"	\$ 18.830	18.830
-Office	"	\$ 21.729	21.729
-Landscaped Areas (golf course & park site)	"	\$ 4.346	4.346
-Murieta Equestrian Center	"	\$ 1.677	1.677
-RMCC (club house & parking)	"	\$ 0.000	0.000
-Airport	"	\$ 1.931	1.931
-Geyer Property	"	\$ 14.485	14.485

UNDEVELOPED PROPERTY

Uses Drainage System

-Residential and Non-Residential	Per Acre	\$ 2.740	2.740
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Does Not Use Drainage System

-Lakeview	"	\$ 0.00	0.00
-PTF N of Cosumnes	"	\$ 0.00	0.00

IV) The Security Code, Chapter 21, Section 5.00 Security Tax, is amended as follows:

Commencing July 1, 2013, property within the District shall be assessed a monthly security tax as follows. The maximum tax rates shown reflect annual adjustments, per Section 5.00:

		Monthly Special Tax Rates Fiscal Year 2013-14	Monthly Special Tax Rates Maximum Ceiling Rate Year 2013-14
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DEVELOPED PROPERTY

Residential

Inside Gates

- Metered	Per Lot	\$ 25.93	26.40
- Unmetered	Per Lot	\$ 20.34	21.12
Outside Gate	Per Lot	\$ 6.24	6.36

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Non-Residential			
- Highway Retail	Per Building Sq. Ft.	\$ 0.2338	0.2378
- Other Retail/Commercial	"	\$ 0.0253	0.0257
- Industrial/Warehouse/Lt Industrial	"	\$ 0.0550	0.0560
- Office	"	\$ 0.0131	0.0134
- Institutional	"	\$ 0.0131	0.0134
- Public Utility	"	\$ 0.0419	0.0426
- Equine Complex	"	\$ 0.0037	0.0039
- RMCC	"	\$ 0.0660	0.0670
- Airport	"	\$ 0.0167	0.0170

UNDEVELOPED PROPERTY

- Inside Gates	Per Acre	\$21.9628	22.3319
- Outside Gates	Per Acre	\$ 3.2728	3.3279

V) The Solid Waste Collection and Disposal Code, Chapter 31, Section 4.0 Collection Rates, is amended as follows:

Section 4.03 Collections Rates. The monthly service charge shall be:

(1) Garbage Collection Services (rates include Sacramento County Surcharge)

38 gallon cart	\$ 17.52
64 gallon cart	\$ 19.19
96 gallon cart	\$ 28.58

(2) Additional Garbage Carts

38 gallon cart	\$ 7.89
64 gallon cart	\$ 9.86
96 gallon cart	\$ 21.00

(3) Additional Recycling Cart (in excess of 1 recycled cart)

38 gallon cart	N/A
64 gallon cart	\$ 6.28
96 gallon cart	\$ 6.28

(4) Additional Green Waste Cart (in excess of 2 green waste carts)

38 gallon cart	N/A
64 gallon cart	\$ 6.28
96 gallon cart	\$ 6.28

(6) Sacramento County Surcharge \$ 1.19

SECTION TWO:

To the extent the terms and conditions of this Ordinance may be inconsistent or in conflict with the terms and provisions of any prior District ordinances, resolutions, rules, or regulations the terms of this Ordinance shall prevail with respect to the terms and provisions thereof, and such inconsistent or conflicting terms and provisions of prior ordinances, resolutions, rules, and regulations are hereby repealed.

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SECTION THREE:

This Ordinance shall be in full force and effect thirty (30) days after adoption and shall be published not less than once in a newspaper of general circulation published in the District within ten (10) days after adoption.

SECTION FOUR:

The establishment, modification, structuring, restructuring and approval of the fees, rates, tolls, or other charges as set forth herein are for the purposes of continuing to meet the District's costs for operation and maintenance, supplies and equipment, financial reserves, and capital replacement needs, and are necessary to maintain service within the District's existing service area.

PASSED AND ADOPTED by the Board of Directors of the Rancho Murieta Community Services District, Sacramento County, California, at a meeting held on June 19, 2013, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

[seal]

ATTEST:

Suzanne Lindenfeld, District Secretary

MEMORANDUM

Date: May 9, 2013
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Discuss PTF Request for Board of Directors Participation in Financing and Services Agreement

RECOMMENDED ACTION

Provide direction to staff.

BACKGROUND

President Pasek asked that the attached email/letter from the attorneys for PTF and Rancho North Properties be included on the agenda for discussion and direction to staff.

Recall this letter was hand delivered at the April 17 Board meeting as well as emailed to President Pasek on the same day. As a result, no action or discussion was taken at the Board meeting. The letter suggests PTF is willing to proceed with negotiations of a Financing and Services Agreement for the remaining undeveloped properties owned by PTF (Rancho North Properties) if two (2) Board members participate with staff in the negotiations. Our informal policy for the current FSA negotiations is that no Board member(s) participate in those negotiations.

President Pasek seeks guidance for staff on how to proceed with this request.

Michael Hamilton

New York Life Investments

One Front Street, Suite 550, San Francisco, CA 94111-5327

✉ michael.hamilton@nylim.com ☎ (415) 402-4105

----- Forwarded by Michael Hamilton/NYLIM on 04/17/2013 05:42 PM -----

From: "Gotshall-Maxon, Lee" <lgotshallmaxon@allenmatkins.com> To: "GEPasek@aol.com" <GEPasek@aol.com> Cc: Michael Hamilton <Michael_Hamilton@nylim.com>, "Gotshall-Maxon, Lee" <lgotshallmaxon@allenmatkins.com>

Date: 04/17/2013 05:39 PM Subject: Rancho Murieta -- PTF and Rancho North Properties

Dear Mr. Pasek,

We note that the General Manager's Report attached to the Board materials for the meeting this evening states that "[s]taff returned our standard developer deposit agreement to PTF for signatures and submittal of the initial deposit, otherwise nothing new to report." We wish to make it clear that, on behalf of the PTF and Rancho North Properties, Michael Hamilton has had communication with staff on this issue and is interested in proceeding with negotiations concerning the water and other utilities and services to be confirmed or made available for the development of the undeveloped property north of the Cosumnes River.

But the PTF and Rancho North Properties believe that, given the history, a truly productive negotiation will require that two Board Members participate in the negotiations. With such participation, we believe that matters can progress and reach resolution much more quickly.

If the Board will commit to such participation in these negotiations, along with staff, then PTF will provide the funds to pay for the District's cost in conducting such negotiations as contemplated in the Developer Deposit Agreement. Michael Hamilton will not be attending this evening's Board meeting but John Sullivan will be attending and we have asked him to communicate these thoughts to the Board.

Best regards, Lee F. Gotshall-Maxon
Allen Matkins Leck Gamble Mallory & Natsis LLP
Three Embarcadero Center, 12th Floor San Francisco, CA 94111
Direct: (415) 273-7423 Facsimile: (415) 837-1516 e-mail: lgotshallmaxon@allenmatkins.com www.allenmatkins.com

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MEMORANDUM

Date: May 9, 2013
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Approve Hotel Site Will Serve Letter Agreement

RECOMMENDED ACTION

Approve Draft Water Service Agreement for Gardens Project Lot 8 Hotel and Lot 7 Extended Stay Units, as presented in the attachment.

BACKGROUND

Attached is the Draft Water Service Agreement for Gardens Project Lot 8 Hotel and Lot 7 Extended Stay Units.

On April 25, 2013, the District received a letter from Greg Dyer, attorney for Cosumnes River Land, LLC, (CRL) proposing that CRL pay for redesign efforts of the water treatment plant (WTP) expansion and rehab in exchange for will serves for the Murieta Gardens Hotel and Extended Stay Project (copy attached). CRL suggested in the letter that the combined project would only need 19 EDUs of water.

At the April 26 workshop, this proposal was discussed. The Board gave staff direction to negotiate an agreement with CRL concerning the redesign payment and issuance of will serves.

As a follow-up to staff direction from the workshop, Jon Hobbs, District's Legal Counsel, and I met with Greg Dyer and John Sullivan on May 3, 2012 to negotiate the agreement. The Draft Agreement is a result of those in person negotiations and subsequent rounds of editing of the Draft Agreement. The Draft Agreement, as presented, is agreeable to both CRL and the District.

There are essentially two (2) main deal points.

1. CDRL will pay \$175,000 to the District to fund the HDR redesign efforts.
2. The District will issue provisional will serves for up to 30 EDUs of water service, in exchange for CRL funding of the redesign.

The will serve letters will remain provisional until the water plant is expanded and the project's 30 EDUs are built into the expansion. In essence the will serves are borrowed capacity until the water plant is expanded.

As for the allowance of borrowed of capacity, in the short term there is sufficient capacity for the 30 EDUs, or roughly 23,000 gallons per day. Long term, the borrowed capacity needs to be replaced. This is consistent with Policy 2004-08.

There are no issues with meeting fire flows or peak day demands with issuance of the will serves, as fire flow demands and peak day demands are met by above ground storage tanks, Rio Oso at 1.2 million gallons and Van Vleck at 3.0 million gallons.

**WATER SERVICE AGREEMENT FOR GARDENS PROJECT
LOT 8 HOTEL AND LOT 7 EXTENDED STAY UNITS**

This Water Services Agreement is entered into this _____ day of _____, 2013, by and among the Rancho Murieta Community Services District ("District"), a California Special District, and Cosumnes River Land, LLC ("Owner"), a Delaware limited liability company.

RECITALS

A. District is authorized to provide certain services to residents of District, including, without limitation, obtaining a supply of raw water, the storage of raw water, the treatment and distribution of potable water, the collection, treatment and disposal of wastewater, the management and control of storm water runoff and drainage, the provision of security services, the provision of public park and recreational services and the required administrative support.

B. Owner owns certain lands within the boundaries of District described as Parcel 7 and Parcel 8 of the October 19, 2012 Revised Tentative Map of Murieta Gardens which include plans for an 83 room hotel and 24 unit extended stay facility and are collectively referred to herein as the "Property" or "Properties".

C. Owner wishes to obtain a commitment in the form of "Will Serve" letters from the District that Water services provided by District will be available to the 83 room hotel and 24 unit extended stay facility (the "Project") to be constructed on the Property.

D. In order to continue progress on the hotel/extended stay portion of the Project only, Owner needs will-serve letters issued to the County of Sacramento regarding the Project. Owner agrees that in exchange for the District issuing provisional-serve letters for the proposed 83 room hotel and 24 extended stay units, Owner will pay to District \$175,000 which provides funding for the District to engage HDR Engineering and/or other professional(s) of the District's choosing, to redesign a retrofit, expansion and/or upgrade of Water Treatment Plant No. 1.

AGREEMENT

The parties agree as follows:

A. Immediately upon execution of this Agreement, Owner will pay to the District One Hundred Seventy Five Thousand dollars (\$175,000.00) which provides funding for the District to engage HDR Engineering and/or other professional(s) of the District's choosing, to redesign a retrofit, expansion, and/or upgrade of Water Treatment Plant No. 1 to create additional treated water capacity in the District.

B. In exchange for payment of the funds identified in paragraph A, and following receipt of the funds, the District will issue provisional will-serve letters for water services to the County of Sacramento concerning the hotel and extended stay facility, which provisional will-serve letters will be effective upon issuance to provide treated water to the Project from the District,

and they will remain in effect during the redesign, retrofit, expansion and/or upgrade of District Water Treatment Plant No. 1. After completion of the redesign, retrofit, expansion and/or upgrade of District Water Treatment Plant No. 1, and provided that sufficient capacity thereafter exists for treated water to the Project, the District will issue permanent will-serve letters for the Property.

C. The District and owner agree to determine the exact number of Equivalent Dwelling Units (“EDU’s”) needed for the 83 room hotel and 24 extended stay units after construction and operation of the Project, but the parties currently agree that the water supplied by the District shall not exceed 30 EDU’s. The Parties will determine the exact EDU’s allocated to the Project from actual use not less than one year after construction. Should the Project require more than 30 EDU’s, Owner shall be responsible for securing the additional water supply.

D. The Parties agree to the following general terms:

1. Authority of District. Owner and District agree that nothing in this Agreement is intended to limit or restrict the exercise of the normal and customary powers of District to act in accordance with its obligations to protect the public health and safety of the residents, owners, and occupants of property within the District. District retains the right and obligation to adopt ordinances and regulations addressing the needs of District provided that all such ordinances and regulations are uniformly applicable to similarly situated property within the boundaries of District.

2. Notices. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by nationally recognized courier service such as Federal Express, or (iv) sent by facsimile or e-mail, provided that any notice sent by facsimile or e-mail shall also be sent by one of the other methods provided above. All notices, requests, demands or other communications shall be addressed to the Parties as follows:

To District:
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683
Attention: General Manager

With copy to:
Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814
Attention: Jonathan P. Hobbs

Notices required to be given to Owners shall be addressed as follows:

To Gardens: Cosumnes River Land, LLC
7200 Lone Pine Drive, Ste 200
Rancho Murieta, CA 95683
Attention: John Sullivan

3. Delivery of Notice. Delivery of any notice or other communication hereunder shall be deemed made on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Notice may also be given by facsimile or e-mail (provided another method in subsection (i)-(iii) above is also used) which shall be deemed delivered when received by the facsimile machine or e-mail of the receiving party if received before 5:00 p.m. (Pacific Time) on a business day, or if received after 5:00 p.m. (Pacific Time) or on a day other than a business day (i.e., a Saturday, Sunday, or legal holiday), then such notice shall be deemed delivered on the following business day. The transmittal confirmation receipt produced by the facsimile machine or e-mail server of the sending party shall be prima facie evidence of such receipt (provided another method is used in addition to such fax or e-mail). Any party may change its address, facsimile number or e-mail for purposes of this Section by giving notice to the other Parties as herein provided. Any Party may change its address by giving notice in writing to the other Parties.

4. Entire Agreement. This is an integrated Agreement, and contains all of the terms, consideration, understanding and promises of the Parties. It is intended to be, and shall be, read as a whole. All recitals and exhibits are incorporated herein. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement, all prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

5. Legal Action. In addition to any other rights or remedies, any Party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoy any threatened or attempted violation.

6. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

7. Indemnity. Owner hereby agrees to and shall defend, indemnify and hold District, its Board, officers, agents, and employees harmless from any liability for damage or litigation relating to this Agreement and/or the approval of this Agreement by District.

8. Third Parties. This Agreement is made and entered into for the sole protection and benefit of the Parties. No other person shall have any right of action based upon any provision in this Agreement.

9. Time of the Essence. The Parties agree that time is of the essence for each Agreement provision of which time is an element.

10. Amendments. This Agreement may be amended only in writing by mutual consent of the Parties or their successors in interest.

IN WITNESS WHEREOF, the Parties hereto execute this Agreement:

_____, 2013

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By: _____

Gerald Pasek
President, Board of Directors
"DISTRICT"

Approved as to form:

By: _____

Jonathan Hobbs
District Counsel

_____, 2013

_____, 2013

COSUMNES RIVER LAND, LLC

By: _____

John M. Sullivan
Manager
"OWNER"

Approved as to form:

By: _____

Gregory F. Dyer
Owner Counsel

_____, 2013

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Improvements Committee Staff
Subject: Approve Tax for 6B Generator Replacement

RECOMMENDED ACTION

Approve an additional payment of \$1,566.57 to Cummins West, to cover the tax for the purchase of an LP Generator. Funding to come from Sewer Reserves, CIP 12-07-2.

BACKGROUND

The tax was left off the original Board approval at the 10-17-2012 Board meeting for the purchase of an LP Generator from Cummins West (CW). The original amount of the approval to CW was in an amount not to exceed \$22,043, which included \$ 20,213 for the generator and associated equipment (tax not included) and \$1,830 for testing and startup. The generator and related equipment have been installed, tested, permitted and are working well. Attached is the original proposal from CW for reference.

The Improvements Committee recommends approval.

Quotation

Cummins West Inc
 875 Riverside Parkway
 West Sacramento CA 95605-1502 United States
 Direct: 916-376-1533

September 6, 2012

Project Name: Lift Station 6B

Quotation: 3120196A

Thank you for your inquiry. We are pleased to quote as follows:

Item	Description
	Cummins Model 50GGPC Standby Propane Generator Set
	U.S. EPA, Stationary Emergency Application
50GGPC	Genset-Spark Ign, Propane, 60Hz,50-Kilowatt
A331-2	Duty Rating-Standby Power
L156-2	Cert-Seismic, IBC2000,2003,2006,Ss=3.41g.rooftop
L164-2	OSHPD Seismic Cert, Sds=2.28g
L090-2	Listing-UL 2200
L155-2	EmissionsCert-SI,EPA,Emergency,Stationary,40CFR60
C099-2	Fuel System-LP Vapor Withdrawal
F173-2	Enclosure-Steel,Sound Att,Level 2,w/Exhaust System
R002-2	Voltage-277/480,3 Phase,Wye,4 Wire
B414-2	Alternator-60 Hz, 12 Lead, Upper Broad Range, 125C
H643-2	SET CONTROL-PCC 2100
B184-2	Exciter/Regulator-Pmg, 3 Phase Sensor
A366-2	Engine Governor-Electronic, Isochronous Only
H569-2	Warning-Low Fuel Gas Pressure
KM66-2	Circuit Breaker Mtg-Single Brkr,Right of Control
KS67-2	Circuit Breaker-80A,3P,690/525V,TM,80%UL/IEC
F179-2	Skidbase-Housing Ready
E125-2	Engine Cooling-High Ambient Air Temperature
H389-2	Shutdown-Low Coolant Level
E089-2	Extension-Engine Coolant Drain
H036-2	Coolant Heater-120 Volt Ac, Single Phase
D041-2	Engine Air Cleaner-Normal Duty
L028-2	Genset warranty- Base, Standby 2 years / 400 hours
L050-2	Literature-English

F065-2	Rack-Battery
H268-2	Extension-Oil Drain
0541-0834	Flex Fuel Conn Kit-NG/LPV-1" (27"L) Shipped Loose, Contractor Installation
SENS	SENS Battery Charger (Shipped Loose, Contractor Installation)
CTLYST	3-Way Catalytic Exhaust System
	Sub Total.....\$20,213.00

START & TEST	On-Site Start-Up, Testing, & Training (1-Site Visit)
	Provide & Install 12-Volt Battery Set
	Verify Correct Installation
	2-Hour Load Test Utilizing Available Emergency Loads
	45-Minute Training to Available Facility Personnel at Time of Start-Up
	Sub Total.....\$1,830.00

Total price for all material as described above	\$20,213.00
(does not include sales tax)	
Additional charge for Start and Test (see note below).....	\$1,830.00
Total	\$22,043.00

This quote is based on verbal specifications and may or may not meet actual job requirements. No equipment design specification requirements or project drawings were supplied to or reviewed by Cummins West for this proposal - general exception is therefore taken to any specifications or plans presented subsequent to this document.

Clarifications:

All plumbing/piping between propane fuel tank and generator set is by others and not included with this proposal.

IBC Certification: The products in this quotation identified as meeting the requirements of the 2006 IBC and 2007 CBC have been certified by their respective manufactures via a combination of analytical testing and shaker table testing. Not all products have been shaker table tested.

Startup and Test: The price quoted above for the on-site startup and testing of the generator set consists of 1 day on site and includes travel time and materials. The quote is based on normal business hours (**M-F, 8am-5pm**) and our being able to locate our service truck/load bank trailer within 50 cable feet of the generator set. A detailed checklist will be sent to the contractor and will need to be returned to Cummins West prior to the scheduling of the startup. Additional charges will apply for additional time on site due to an incomplete installation, jobsite delays, after hours testing and/or additional testing requirements not provided at time of quote. **All fuel requirements are the responsibility of others and not included as part of this proposal.**

Permits: No permit or permit costs (AQMD, Fire, Building, Etc.) are included in this quote.

Emissions: The AQMD may perform a Risk Screen Analysis for new generator installations. The RSA will determine the annual test/maintenance hours allowed.

Retention: CWI is a supplier of material, and related services, we are not a contractor. Retention is not acceptable. We will invoice only as delivered, and our invoices are payable in full, within stated terms.

Shipping: F.O.B. the factory, freight allowed to the jobsite, on a truck, curbside. Off loading and placement is the responsibility of others. Full or Partial Shipments will be invoiced as shipped, payable 30 days after shipment. All orders changed or canceled after release for manufacture are subject to cancellation fees.

Credit: Subject to approval of Cummins West, Inc credit department.

Terms: Net 30 Days, in full, without retention, setoff, or deduction. A 1½% per month will be charged on past due accounts.

Submittals: 2 weeks after receipt of purchase order.

Delivery: Subject to manufacturer lead-time. Stated lead times take effect upon receipt of approved submittals with release to order or purchase order with release to order per proposal.

Genset: 7-9 Weeks

Transfer Switch: Not Quoted

Cancellation Policy: Rates for change orders and / or cancellations will be consistent with those of Cummins Power Generation, Inc. at time of order. Please contact Cummins West, Inc. for a copy of the most current rate policies in effect.

Validity: The above quotation will be honored for 30 days

Installation: Permits. CWI is a supplier of material, not a contractor; and will not be responsible for (a) providing installation services or other services, for which a contractor’s license is required, or (b) procuring governmental permits (i.e. AQMD permits), licenses, or other consents necessary to install or operate materials or services, or any permit or license fees.

Lien Rights. CWI may give and record a Preliminary 20-Day Notice with regard to Equipment delivered to Project jobsite. If full payment is not made as provided in these terms and conditions, CWI may, as appropriate, record a mechanic's or material man's lien, file a stop notice, assert a claim against a payment bond, and/or pursue any other creditor rights it may have under applicable law.

Warranty. The Equipment is sold subject to express warranties provided by the manufacturer. CWI warrants that any modifications to the Equipment done by CWI or its subcontractor will be free from defects in material and workmanship for a period of one year from the date of delivery of the Equipment. As the sole and exclusive remedy for breach of CWI's warranty, CWI will repair or replace any defective component of the Equipment. Alternatively, at CWI's election, CWI may accept return of the Equipment and refund to Buyer the purchase price of the Equipment.

LIMITATION OF WARRANTY AND LIABILITY. EXCEPT FOR THE EXPRESS WARRANTY PROVIDED IN THE PRECEDING PARAGRAPH, CWI DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE EQUIPMENT, INCLUDING THE IMPLIED WARRANTIES OR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO ORAL OR WRITTEN STATEMENTS OR REPRESENTATIONS TO THE CONTRARY WILL BE BINDING ON CWI UNLESS IN A WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF CWI.

IN NO EVENT WILL CWI BE LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, EVEN IF CWI HAS BEEN APPRISED OF THE POSSIBILITY OF SUCH DAMAGES. CWI's TOTAL LIABILITY, WHETHER FOR BREACH OF CONTRACT, WARRANTY, LATE DELIVERY, OR NON-DELIVERY, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, IS LIMITED TO THE PRICE OF THE EQUIPMENT SOLD THEREUNDER

Delay in Taking Delivery: Storage Charges. If Buyer cannot accept delivery of the Equipment by the agreed delivery date, or Buyer otherwise requests that delivery be delayed, CWI may invoice Buyer for the purchase price of the Equipment and will store equipment at no charge for up to 30 days following the scheduled date of delivery. Thereafter, storage charges will accrue at a monthly rate of one and on-half percent of the invoiced purchase price for every month or portion thereof during which the Equipment is stored by CWI. Buyer is responsible for any additional freight or special equipment charges as a result of the delay in taking delivery.

Thank you for this opportunity to quote Cummins Power Generation products. Please call if we may answer any questions, or be of further service.

Sincerely,



Bob Robbins - Sales Engineer
Cell: 916-539-7812
Direct: 916-376-1533
Fax: 916-376-1591
Robert.Robbins@Cummins.Com

Please accept my order for the equipment per the above prices, terms, and conditions.

Signed _____

Title: _____

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Finance Committee Staff
Subject: Approve Proposal for 2012-13 Audit Services

RECOMMENDED ACTION

To approve the proposal from Larry Bain, CPA, An Accounting Corporation, for preparation of audit reports (for the District and for the Community Facilities District #1) for the fiscal year 2012-13, in an amount not to exceed \$15,500. Funding to come from the 2013-14 General Administration Operating Budget in the amount of \$13,500 for the District and \$2,000 from the CFD#1.

BACKGROUND

The audit covers the District wide Financial Statements and Community Facilities District No. 1 (CFD #1) Financial Statements.

The Board of Directors unanimously approved to continue the District's relationship with Larry Bain, CPA, An Accounting Corporation at the February 2013 Board meeting. Attached is the engagement letter to perform the 2012-13 financial audit for the District and the CFD #1. His proposal anticipates that the audit will commence on September 3, 2013 and that the draft audit report will be issued in late October. This proposal reflects a 2.6% increase from last year. This is the first increase in Mr. Bain's audit cost since 2009.

The Finance Committee recommends approval.

Larry Bain, CPA,
An Accounting Corporation
2148 Frascati Drive
El Dorado Hills, CA 95762
(916) 601-8894

April 18, 2013

Board of Directors
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

We are pleased to confirm our understanding of the services we are to provide for the Rancho Murieta Community Services District for the fiscal year ended June 30, 2013. We will audit the financial statements of the business-type activities which comprise the entity's basic financial statements of the Rancho Murieta Community Services District as of and for the fiscal year ended June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany Rancho Murieta Community Services District's basic financial statements. As part of our audit we will apply certain limited procedures to Rancho Murieta Community Services District's RSI. These limited procedures will consist principally of inquiries of management regarding methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. Additionally, you will be provided with the audited financial statements for the following blended component unit: Community Facilities District #1.

Audit Objective

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the business-type activities of the Rancho Murieta Community Services District and the respective changes in financial position and cash flows in conformity with U.S. generally accepted accounting principles. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for management decisions and functions; for designating an individual with suitable skills, knowledge or experience to oversee our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Larry Bain, CPA,
An Accounting Corporation
2148 Frascati Drive
El Dorado Hills, CA 95762
(916) 601-8894

Management Responsibilities (continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management (2) employees who have significant roles in internal control and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Audit Procedures – General

An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by (1) errors (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct effect on the financial statements. However we will inform of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However during the audit, we will communicate to management and those charge with governance internal control related matters that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Rancho Murieta Community Services District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide and opinion on overall compliance and we will not express such and opinion.

Larry Bain, CPA,
An Accounting Corporation
2148 Frascati Drive
El Dorado Hills, CA 95762
(916) 601-8894

Audit Administration and Fees

We understand that your employees will assist us in the preparation of cash and all other confirmations we request and aid us in the location of invoices selected by us for testing.

The workpapers for this engagement are the property of Larry Bain, CPA and constitute confidential information. However, we may be requested to make certain workpapers available to regulatory agencies pursuant to authority given to it by law or regulations. If requested, access to such workpapers will be provided under the supervision of Larry Bain CPA. Furthermore, upon request, we may provide photocopies of selected workpapers to the regulatory agency. The regulatory agency may intend, or decide; to distribute photocopies or information contained therein to others, including to governmental agencies.

We would expect to begin our audit on September 3, 2013 and would expect to issue our report in October 2013. Our fee for these services will be at our standard hourly rates except that we agree that our gross fee, including expenses, will not exceed \$13,500 for the District audit and \$2,000 for the CFD#1 audit per year. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees may be rendered each month as work progresses. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary; we will discuss it with you and bill at our standard hourly rates of \$95 to \$150 per hour depending on experience level of staff.

Agreement of Terms

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. We have also enclosed a copy for your records.

Very truly yours,


Larry Bain, CPA 4/18/13

This letter correctly sets forth the understanding of the District.

By: _____

Title: _____

Date: _____

MEMORANDUM

Date: May 6, 2013
To: Board of Directors
From: Edward R. Crouse, General Manager
Subject: Approve Regional Water Authority (RWA) Proposed Amendments to the RWA Joint Powers Agreement (JPA)

RECOMMENDED ACTION

To approve the Regional Water Authority (RWA) Proposed Amendments to the RWA Joint Powers Agreement (JPA) as presented in Amendment 1, red-line version.

BACKGROUND

The Regional Water Authority (RWA) has grappled repeatedly over several years with whether to change the provision of the Joint Powers Agreement (JPA) that require unanimous written approval of policy positions. In 2006, the RWA Executive Committee approved a proposal for minor changes to the JPA on this issue, but the proposed amendment did not progress. In July 2009, the RWA Board adopted a Strategic Plan that identified advocacy as one of four (4) key goals for RWA action. A committee subsequently considered the need for JPA amendments, but did not propose immediate action. Later that year, following the special session legislation on water and the lack of their attention to Northern California concerns, RWA realized that it is more important than ever to have a strong regional voice on issues that could impact the interest of RWA signatories. The need for changes to the unanimous consent provision of the JPA has also been a recurring objective assigned during the performance evaluation of the Executive Director. In March 2012, RWA made significant progress when the Board approved Policy 100.5, which increased RWA's effectiveness at advocacy by defining the mechanism for implementation of policy principles that had been adopted by RWA's signatories.

The amendments to the Regional Water Authority Joint Powers Agreement are attached for your review.

The Regional Water Authority Executive Committee recommends approval. I concur.

March 21, 2013



Ed Crouse
Rancho Murieta CSD
P. O. Box 1050
Rancho Murieta, CA 95683



Dear Mr. Crouse: *Ed*

By unanimous vote at its March 14th meeting, the Regional Water Authority Board of Directors approved the circulation of proposed amendments to the RWA Joint Powers Agreement (JPA). The Board believes these changes are essential for RWA to more effectively advocate for this region to protect its water supplies and unique resources. Amending the JPA requires approval of the governing board of each current RWA member or a staff member with delegated approval authority.

The amendments (attached) would make the following changes to the JPA:

- Emphasize that RWA will advocate on external issues that affect the region by adding advocacy as one of RWA's express powers,
- Define clearly the "External Policy Issues" on which RWA would advocate, including state and federal legislative, regulatory and judicial matters,
- Move the process for taking policy positions on External Policy Issues out of the JPA itself and allow RWA's Board of Directors to govern the development of policy positions and their approval, and
- Identify the local issues on which RWA would not advocate – like local land use decisions, local ordinances and agreements or disputes among RWA signatories – without unanimous written consent from all RWA signatories.

In addition to the proposed JPA amendments, we have enclosed a summary of the need for and content of the amendments and a memorandum from RWA's legal counsel outlining the approval process.

The Board is seeking to obtain approval of the amendments in their drafted form from all RWA members by June 17, 2013. RWA staff will be contacting each RWA board representative to discuss the timing and approach for obtaining your organization's approval of the JPA amendments, and will be available to support you in any way necessary.

Please contact John Woodling at (916) 967-7692 if you have any questions or concerns.

Sincerely,

John Woodling
Executive Director

Rob Roscoe
Board Chair

Rob Roscoe, Chair
Ron Greenwood, Vice
Chair

Members

- California American Water
- Carmichael Water District
- Citrus Heights Water District
- Del Paso Manor Water District
- El Dorado Irrigation District
- Elk Grove Water District
- Fair Oaks Water District
- Folsom, City of
- Fruitridge Vista Water Company
- Golden State Water Company
- Lincoln, City of
- Orange Vale Water Company
- Placer County Water Agency
- Rancho Murieta Community Services District
- Roseville, City of
- Rio Linda / Elverta Community Water District
- Sacramento, City of
- Sacramento County Water Agency
- Sacramento Suburban Water District
- San Juan Water District
- West Sacramento, City of
- Woodland-Davis Clean Water Agency

Associates

- El Dorado County Water Agency
- Sacramento Municipal Utility District
- Sacramento Regional County Sanitation District

ISSUE: CONSIDERATION OF AMENDMENTS TO REGIONAL WATER AUTHORITY JOINT POWERS AGREEMENT

BACKGROUND

RWA has grappled repeatedly over several years with whether to change the provisions of the Joint Powers Agreement (JPA) that require unanimous written approval of policy positions. In 2006, the RWA Executive Committee approved a proposal for minor changes to the JPA on this issue, but the proposed amendment did not progress. In July 2009, the RWA Board adopted a Strategic Plan that identified advocacy as one of four key goals for RWA action. A committee subsequently considered the need for JPA amendments, but did not propose immediate action. Later that year, the special session legislative package on water, and the lack of attention to Northern California concerns in the process, led to a realization that it is more important than ever to have a strong regional voice on issues that could impact the interests of RWA signatories.¹ Evaluating the need for changes to the unanimous consent provisions of the JPA has also been a recurring objective assigned during the performance evaluation of the Executive Director. In March 2012, RWA made significant progress when the Board approved Policy 100.5, which increased RWA's effectiveness at advocacy by defining the mechanism for implementation of policy principles that had been adopted by RWA's signatories.

In November 2012, the RWA Chair appointed an ad hoc committee to consider the necessary changes to RWA's institutional framework to allow us to be more effective in advocacy on behalf of the region. The ad hoc committee was tasked with bringing recommendations back to the RWA Executive Committee for consideration. The Executive Committee subsequently approved JPA amendments for consideration of the full Board of Directors.

PROPOSED JPA AMENDMENTS

The RWA Board voted unanimously on March 14, 2013 to circulate JPA amendments for approval by the members of RWA. Attachment 1 includes a clean draft version of the proposed amended JPA as well as a mark-up version of the affected pages. In summary, the JPA amendments would:

- Emphasize that RWA will advocate on external issues that affect the region by adding advocacy as one of RWA's express powers,
- Define clearly the "External Policy Issues" on which RWA would advocate, including state and federal legislative, regulatory and judicial matters,

¹ As required by JPA law, RWA has "Members," which are public agencies and mutual water companies, and "Contracting Entities," which are investor-owned utilities. To avoid confusion, those groups are referenced together as "signatories."

- Move the process for taking policy positions on External Policy Issues out of the JPA itself and allow RWA's Board of Directors to govern the development of policy positions and their approval, and
- Identify the local issues on which RWA would not advocate – like local land use decisions, local ordinances and agreements or disputes among RWA signatories – without unanimous written consent from all RWA signatories.

The amended JPA would become effective upon approval by all of the currently existing Members as described in a memorandum from RWA General Counsel (Attachment 2). Attachment 3 is a sample resolution that you may modify for your purposes.

RWA IMPLEMENTING POLICY

When the JPA amendments go into effect, the RWA Board will need to implement the changes by approving a policy to govern RWA's advocacy on External Policy Issues. The ad hoc committee, Executive Committee and Board all discussed possible provisions of such a policy, but nothing has been formally considered for adoption.

During the March 14, 2013 meeting at which the Board approved the circulation of the proposed JPA amendments, the Board also reviewed a preliminary draft policy (100.X) to inform the discussion of JPA amendments. The draft contained some fundamental aspects of an approach to policy making on external issues, which may be incorporated into a future policy. There is general agreement among participating RWA members that the process should:

- Recognize the interests of both Members and Contracting Entities in policy making,
- Provide the opportunity for a JPA signatory to abstain on approval of policy principles,
- Create a responsibility for signatories to respond to proposed principles in a timely manner,
- Allow for a supermajority to determine RWA policy on external policy issues, and
- Define the difference between high-level policy "principles" and specific policy "positions" and a process for adopting each.

STAFF RECOMMENDATION

- Staff recommends all RWA members approve the JPA amendments as drafted through the appropriate process of their governing board by June 17, 2013.
- Staff requests the RWA board representatives for each member coordinate closely with RWA so staff can provide any needed support to the approval process.

- Staff requests to be in attendance and offers to make a presentation at any meetings of members' governing boards at which the JPA amendments are discussed.
- Staff recommends the Executive Committee and Board continue to develop appropriate Board policy to implement the JPA changes when approved.

FAQ - Frequently Asked Questions – Proposed Amendments to the RWA JPA

Why is RWA seeking to modify the JPA?

Many external issues have become more important to RWA members since the JPA was developed more than a decade ago. A solution for the Sacramento-San Joaquin Delta, legislation affecting water rights law, pressure for a public goods charge on water customers, water conservation mandates and other state and federal actions create increasing challenges to RWA members. A strong regional voice can increase our ability to influence the outcomes on these issues. Many members believe the limitations of the JPA are an obstacle to RWA being a stronger advocate for the region.

Do the JPA amendments remove the requirement for unanimous consent on policy positions?

No. The amendments maintain the requirement for local issues, which have been a primary concern since RWA's inception. For external policy issues, the amendments provide for the RWA board, on which each member agency has two representatives, to determine the standard for approval of policy principles.

Why would my agency want to approve the amendments? Aren't we giving up some power in the organization?

While the unanimous consent requirement gives each member agency great power, it is only a power to veto action. The uncertainty present at the time of creation of RWA made this an important JPA provision. Over the last decade, RWA members have demonstrated great capacity to collaborate on mutually beneficial approaches to issues. Members now believe that making it easier for RWA to advocate on External Policy Issues will benefit them by helping to protect their interests as pressures from outside the region increase. In addition, the JPA amendments still would require each RWA member to consent before RWA takes a position on a matter specific to a member, like a project or ordinance proposed by that member.

What happens if some agencies approve the changes, but other don't?

The amendments would become part of the Joint Powers Agreement only upon approval of all of the current members. Failure to get full approval would leave the existing JPA as it is.

I support the JPA amendments, but I don't agree with all the provisions of the draft policy that was discussed. Can't I allay my concerns by not approving the JPA amendments?

It is true that failure to get full approval of the JPA amendments would mean the RWA Board could not approve an alternate procedure; however, the concerns with the current JPA would not be resolved. The draft Policy 100.X was provided to the RWA Board for discussion only.

Although it is the result of extensive discussion, and has broad support, it is not proposed for adoption at this time. The JPA amendments would simply allow the RWA Board representatives from each Member agency, rather than the full governing board of each member, to develop and adopt an appropriate procedure. Many members believe this is an appropriate role for the Board, as those individuals are most knowledgeable about their agency's involvement in RWA.

I generally agree with the proposed amendments, but I have some thoughts that would improve them. How do I propose my comments for consideration?

The proposed amendments have been discussed numerous times at many levels within RWA and there is broad agreement that they should move forward. While it is important to assure that changes to the JPA meet the needs of all members, coordinating editing by 22 signatories could prove impossible and become an obstacle to improving RWA's ability to advocate for the region. In addition, all RWA members will be able to participate in the RWA board's development of policies that would govern how RWA takes positions on external issues.

I support the amendments, but I think there are other things that need to be modified in the JPA. Should I propose changes as my agency approves the amendments?

There could be other things that particular members believe should be changed about the JPA. However, it is essential that all member agencies approve the identical amended JPA in order for it to become effective. Other changes can be proposed to the Executive Committee or Board at any time.

We can't foresee every issue that might come up on which there might be conflicting views among members. Wouldn't changing the policy again be very difficult if we don't get it right?

This may be the greatest benefit of vesting the power to adopt a procedure for policy positions with RWA's Board. Making appropriate changes in the future would be substantially easier than amending the JPA.

My colleagues on my agency's Board who aren't RWA reps may have questions. Will RWA staff be available to respond?

Staff will not only be available, but wish to actively engage with you to support the approval process in any way necessary, including responding to questions, briefing board members, and attending or presenting at board and council meetings.

I'm concerned that the large agencies will override the interests of small agencies. Wasn't the purpose of the unanimous consent provisions to protect against this?

I'm concerned that a group of smaller agencies will override the interests of large agencies. Wasn't the purpose of the unanimous consent provisions to protect against this?

I'm concerned that single purpose water district interests will override the broader interests of cities. Wasn't the purpose of the unanimous consent provisions to protect against this?

I'm concerned that investor owned utilities will conflict with the interests of RWA's public agency members. Wasn't the purpose of the unanimous consent provisions to protect against this?

These types of concerns were the drivers for requiring unanimous consent of policy positions when the JPA was originally developed. In the subsequent twelve years, RWA members have increasingly realized that we are stronger together, and that our common interests far outweigh our differences. In addition, the proposed JPA amendment would retain the unanimous consent rule for RWA to take a position on an agency's specific issues like ordinances, land use projects and agreements or disputes with other RWA members.

**AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT
REGIONAL WATER AUTHORITY**

This Amended and Restated Agreement is made and entered into as of this 1st day of 2013, by and between the parties to this Agreement (listed in Exhibit A). As of the date of this Amended and Restated Agreement's approval under Article 36 of the July 1, 2001 Joint Exercise of Powers Agreement, this Amended and Restated Agreement supersedes that 2001 Agreement.

INTRODUCTION

This Agreement changes the name of the Sacramento Metropolitan Water Authority ("SMWA") to the Regional Water Authority (the "Regional Authority"), and supersedes the agreement under which SMWA was formed and operated. SMWA will continue to operate, but as the Regional Authority. This amendment shall not affect any contracts entered into by SMWA, except for the change of name from SMWA to Regional Authority. The parties to this Agreement intend that the Regional Authority may, at some future time, provide the types of services that are currently being provided by other existing industry associations in the region, including, but not limited to, all or portions of the Sacramento Area Water Works Association ("SAWWA"), the Sacramento Maintenance and Regional Technology group ("SMART"), and the American River Basin Cooperating Agencies ("ARBCA"), subject to the approval of those entities and the Regional Authority.

Recitals

- A. This Agreement amends and supersedes in its entirety that certain joint exercise of powers agreement, as amended, that was entered into as of March 20, 1990 (the "SMWA JPA") to form the SMWA.
- B. The mission of the Regional Authority is to serve and represent the regional water supply interests, and to assist the Members of the Regional Authority in protecting and enhancing the reliability, availability, affordability and quality of water resources.
- C. The goals of the Regional Authority are to:
1. Assist, where appropriate, in the voluntary consolidation of the services provided by existing industry/trade associations and water utility support groups within the Regional Authority.
 2. Develop and provide subscription-based (i.e., that are paid for by participating Members) support services, projects and programs of mutual interest for Members, or groups of Members, and certain other subscribers.
 3. Facilitate discussion of and action on matters of regional priority and interest.

4. Coordinate and implement regional water master planning, grant-funding acquisition, and related planning efforts.

5. Provide a unified voice to advocate and respond to legislative, regulatory and policy matters of importance to the region's water supply.

D. The guiding principles of the Regional Authority shall be:

1. To operate without exercising governing or regulatory authority over Members.

2. To operate without competing with Members for the development, treatment or delivery of water supplies.

3. To ensure that the positive traditions and essential functions of SMWA, SAWWA, SMART and ARBCA (if the Regional Authority provides the same types of services that those associations currently provide) be continued.

4. To operate in a manner that allows each Member to retain its ability to make business and policy decisions.

E. The Members desire to meet their mutual goals effectively and efficiently through the formation of the Regional Authority.

AGREEMENT

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

GENERAL

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.

2. **Members.** Each Member certifies and declares that it is a public agency (as defined in Government Code section 6500) or mutual water company (as defined in Government Code section 6525) that is authorized to be a party to this joint exercise of powers Agreement, and to contract with each other for the joint exercise of common powers in accordance with Article 1, Chapter 5, Division 7, Title 1 of the Government Code (the "JPA Act", commencing with section 6500).

DEFINITIONS

3. **Definitions.** When used in this Agreement, the following terms shall have the meanings set forth below:

- a. "Agreement" means this Joint Exercise of Powers Agreement.
- b. "Board of Directors" or "Board" means the governing body of the Regional Authority as established in this Agreement. The Board of Directors shall include representatives of Members and Contracting Entities as provided in this agreement.
- c. "Budget" means the approved budget applicable to the expenses of the Regional Authority.
- d. "Contracting Entity" or "Contracting Entities" means an entity providing retail water service to 1,000 or more retail connections that enters into a written agreement with the Regional Authority that has been approved by two-thirds of the membership of the Board (not just two-thirds of the representatives present at a meeting of the Board) to (1) contribute to the costs of the Regional Authority as specified in the agreement, (2) be represented on the Board of Directors, and (3) have the rights and duties set forth in the agreement.
- e. "Director" means a representative on the Board of Directors.
- f. "Executive Director" means the chief administrative officer of the Regional Authority.
- g. "External Policy Issues" means state and federal legislation, and regulatory issues; judicial matters having broad applicability to the mission and/or Members and Contracting Entities; and or land use planning issues, or water projects or actions proposed by other of entities other than Members or Contracting Entities that may impact the region.
- h. "Fiscal Year" means an accounting period running from July 1 through June 30 of each year.
- i. "Member" means each entity that is or becomes a party to this Agreement.
- j. "Project or Program Agreement" means an agreement between the Regional Authority and two or more of its Members or Contracting Entities, to provide for carrying out a project or program that is within the authorized purposes of the Regional Authority, and sharing in the costs and benefits by the parties to the Project or Program Agreement.
- k. "Regional Water Authority" or "Regional Authority" means the changed name for SMWA.
- l. "SMWA" means the Sacramento Metropolitan Water Authority, a joint powers authority that was formed by a joint exercise of powers agreement, as

amended, that was entered into as of March 20, 1990, which, by virtue of this Agreement, is changed to the Regional Water Authority.

m. "SMWA JPA" means the joint exercise of powers agreement that formed SMWA.

CREATION OF JOINT POWERS AUTHORITY; POWERS AND PURPOSES

4. **Regional Authority Created.** The Regional Authority is hereby created pursuant to the JPA Act and this Agreement, reflecting the revisions of the SMWA JPA. The Regional Authority shall be a public entity separate from its Members.

5. **Boundaries of the Regional Authority.** The geographic boundaries of the Regional Authority shall be coextensive with those of the Members.

6. **Common Powers To Be Exercised.** In fulfillment of the stated mission and goals, the Regional Authority shall exercise the foregoing common powers and such additional powers as may be authorized by law in the manner hereinafter set forth.

7. **Powers and Limitations:**

a. **Powers.** The Regional Authority shall have the power in its own name to do any of the following:

1. Exercise jointly the common powers of its Members in studying, planning and implementing ways and means to provide reasonable and financially-feasible projects, programs and cooperative operations activities for Members.

2. Develop and provide voluntary support services and programs by subscription, including but not limited to: educational and training programs, water conservation programs, public education and outreach programs, water quality protection and laboratory testing programs, technical review and analysis programs, multi-Member regional planning activities, and coordinate the planning, design, financing, debt management, grant fund applications, construction and operation of physical assets on behalf of Members pursuant to the terms of this Agreement.

3. Make and enter into contracts.

4. Cooperate, act in conjunction and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including, without limitation, investor-owned utilities), and persons, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the Regional Authority.

5. Contract for consultant services and to employ such other persons or employees, as it deems necessary.

6. Incur debts, liabilities and obligations, and enter into leases, installment sale and installment purchase contracts, subject to limitations herein set forth.

7. Apply for, accept, receive and administer state, federal or local grants, loans or other forms of aid or subvention from any agency of the United States of America, the State of California or other public or private entity compatible with the Regional Authority's full exercise of its powers.

8. Obtain any governmental authorizations or approvals required for the administration of the Regional Authority

9. Sue and be sued in its own name.

10. Acquire and dispose of real and personal property.

11. Perform all acts necessary or proper to carry out fully the purposes of this Agreement.

12. To the extent not specifically provided for herein, to exercise any powers in the manner and according to methods provided under the laws applicable to a Community Services District (Division 3 of Title 6 of the Government Code, commencing with section 61000).

13. Take and advocate positions on External Policy Issues in a manner consistent with any policies adopted by the Board of Directors to govern the taking and advocacy of such positions.

b. **Limitations.** To ensure that the Regional Authority does not take a position ~~on~~ in conflict with Members' or Contracting Entities' interests on local issues that are not External Policy Issues, the written consent of all Members and Contracting Entities ~~legislation, regulatory, or land use planning issues or projects proposed by other entities, the written consent of all Members~~ (i.e., the unanimous consent of those ~~entit~~ Members ~~re membership~~, not just those present at a Board of Directors meeting, or a quorum of the ~~m~~ Members and Contracting Entities) shall be required before the Regional Authority adopts formal positions on ~~such local issues~~ External Policy Issues. For purposes of this Article 7.b, the term "local issues" includes, but is not limited to, local land use decisions, local ordinances, projects in this region of individual Members or Contracting Entities and disputes or agreements among Members and/or Contracting Entities concerning the region. The Regional Authority also will not take a position on any judicial or regulatory matter directly involving a Member or Contracting Entity that otherwise would be an External Policy Issues without the consent of that Member or Contracting Entity. Notwithstanding any other portion of this Article 7.b, the Regional Authority may express support for a project of a Member or Contracting

Entity to other entities where the project promotes the mission of the Regional Authority and where the support position is consistent with adopted Board policy or policies.

**AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT
REGIONAL WATER AUTHORITY**

This Amended and Restated Agreement is made and entered into as of this ____ day of _____ 2013, by and between the parties to this Agreement (listed in Exhibit A). As of the date of this Amended and Restated Agreement's approval under Article 36 of the July 1, 2001 Joint Exercise of Powers Agreement, this Amended and Restated Agreement supersedes that 2001 Agreement.

INTRODUCTION

This Agreement changes the name of the Sacramento Metropolitan Water Authority ("SMWA") to the Regional Water Authority (the "Regional Authority"), and supersedes the agreement under which SMWA was formed and operated. SMWA will continue to operate, but as the Regional Authority. This amendment shall not affect any contracts entered into by SMWA, except for the change of name from SMWA to Regional Authority. The parties to this Agreement intend that the Regional Authority may, at some future time, provide the types of services that are currently being provided by other existing industry associations in the region, including, but not limited to, all or portions of the Sacramento Area Water Works Association ("SAWWA"), the Sacramento Maintenance and Regional Technology group ("SMART"), and the American River Basin Cooperating Agencies ("ARBCA"), subject to the approval of those entities and the Regional Authority.

Recitals

- A. This Agreement amends and supersedes in its entirety that certain joint exercise of powers agreement, as amended, that was entered into as of March 20, 1990 (the "SMWA JPA") to form the SMWA.
- B. The mission of the Regional Authority is to serve and represent the regional water supply interests, and to assist the Members of the Regional Authority in protecting and enhancing the reliability, availability, affordability and quality of water resources.
- C. The goals of the Regional Authority are to:
 - 1. Assist, where appropriate, in the voluntary consolidation of the services provided by existing industry/trade associations and water utility support groups within the Regional Authority.
 - 2. Develop and provide subscription-based (i.e., that are paid for by participating Members) support services, projects and programs of mutual interest for Members, or groups of Members, and certain other subscribers.
 - 3. Facilitate discussion of and action on matters of regional priority and interest.

4. Coordinate and implement regional water master planning, grant-funding acquisition, and related planning efforts.
 5. Provide a unified voice to advocate and respond to legislative, regulatory and policy matters of importance to the region's water supply.
- D. The guiding principles of the Regional Authority shall be:
1. To operate without exercising governing or regulatory authority over Members.
 2. To operate without competing with Members for the development, treatment or delivery of water supplies.
 3. To ensure that the positive traditions and essential functions of SMWA, SAWWA, SMART and ARBCA (if the Regional Authority provides the same types of services that those associations currently provide) be continued.
 4. To operate in a manner that allows each Member to retain its ability to make business and policy decisions.
- E. The Members desire to meet their mutual goals effectively and efficiently through the formation of the Regional Authority.

AGREEMENT

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

GENERAL

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.
2. **Members.** Each Member certifies and declares that it is a public agency (as defined in Government Code section 6500) or mutual water company (as defined in Government Code section 6525) that is authorized to be a party to this joint exercise of powers Agreement, and to contract with each other for the joint exercise of common powers in accordance with Article 1, Chapter 5, Division 7, Title 1 of the Government Code (the "JPA Act", commencing with section 6500).

DEFINITIONS

3. **Definitions.** When used in this Agreement, the following terms shall have the meanings set forth below:
- a. "Agreement" means this Joint Exercise of Powers Agreement.
 - b. "Board of Directors" or "Board" means the governing body of the Regional Authority as established in this Agreement. The Board of Directors shall include representatives of Members and Contracting Entities as provided in this agreement.
 - c. "Budget" means the approved budget applicable to the expenses of the Regional Authority.
 - d. "Contracting Entity" or "Contracting Entities" means an entity providing retail water service to 1,000 or more retail connections that enters into a written agreement with the Regional Authority that has been approved by two-thirds of the membership of the Board (not just two-thirds of the representatives present at a meeting of the Board) to (1) contribute to the costs of the Regional Authority as specified in the agreement, (2) be represented on the Board of Directors, and (3) have the rights and duties set forth in the agreement.
 - e. "Director" means a representative on the Board of Directors.
 - f. "Executive Director" means the chief administrative officer of the Regional Authority.
 - g. "External Policy Issues" means state and federal legislation and regulatory issues; judicial matters having broad applicability to the mission and/or Members and Contracting Entities; and water projects or actions of entities other than Members or Contracting Entities that may impact the region.
 - h. "Fiscal Year" means an accounting period running from July 1 through June 30 of each year.
 - i. "Member" means each entity that is or becomes a party to this Agreement.
 - j. "Project or Program Agreement" means an agreement between the Regional Authority and two or more of its Members or Contracting Entities, to provide for carrying out a project or program that is within the authorized purposes of the Regional Authority, and sharing in the costs and benefits by the parties to the Project or Program Agreement.
 - k. "Regional Water Authority" or "Regional Authority" means the changed name for SMWA.

- I. "SMWA" means the Sacramento Metropolitan Water Authority, a joint powers authority that was formed by a joint exercise of powers agreement, as amended, that was entered into as of March 20, 1990, which, by virtue of this Agreement, is changed to the Regional Water Authority.
- m. "SMWA JPA" means the joint exercise of powers agreement that formed SMWA.

CREATION OF JOINT POWERS AUTHORITY; POWERS AND PURPOSES

4. **Regional Authority Created.** The Regional Authority is hereby created pursuant to the JPA Act and this Agreement, reflecting the revisions of the SMWA JPA. The Regional Authority shall be a public entity separate from its Members.
5. **Boundaries of the Regional Authority.** The geographic boundaries of the Regional Authority shall be coextensive with those of the Members.
6. **Common Powers To Be Exercised.** In fulfillment of the stated mission and goals, the Regional Authority shall exercise the foregoing common powers and such additional powers as may be authorized by law in the manner hereinafter set forth.
7. **Powers and Limitations:**
 - a. **Powers.** The Regional Authority shall have the power in its own name to do any of the following:
 1. Exercise jointly the common powers of its Members in studying, planning and implementing ways and means to provide reasonable and financially-feasible projects, programs and cooperative operations activities for Members.
 2. Develop and provide voluntary support services and programs by subscription, including but not limited to: educational and training programs, water conservation programs, public education and outreach programs, water quality protection and laboratory testing programs, technical review and analysis programs, multi-Member regional planning activities, and coordinate the planning, design, financing, debt management, grant fund applications, construction and operation of physical assets on behalf of Members pursuant to the terms of this Agreement.
 3. Make and enter into contracts.
 4. Cooperate, act in conjunction and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including, without limitation, investor-owned utilities), and persons, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the Regional Authority.

5. Contract for consultant services and to employ such other persons or employees, as it deems necessary.
 6. Incur debts, liabilities and obligations, and enter into leases, installment sale and installment purchase contracts, subject to limitations herein set forth.
 7. Apply for, accept, receive and administer state, federal or local grants, loans or other forms of aid or subvention from any agency of the United States of America, the State of California or other public or private entity compatible with the Regional Authority's full exercise of its powers.
 8. Obtain any governmental authorizations or approvals required for the administration of the Regional Authority
 9. Sue and be sued in its own name.
 10. Acquire and dispose of real and personal property.
 11. Perform all acts necessary or proper to carry out fully the purposes of this Agreement.
 12. To the extent not specifically provided for herein, to exercise any powers in the manner and according to methods provided under the laws applicable to a Community Services District (Division 3 of Title 6 of the Government Code, commencing with section 61000).
 13. Take and advocate positions on External Policy Issues in a manner consistent with any policies adopted by the Board of Directors to govern the taking and advocacy of such positions.
- b. **Limitations.** To ensure that the Regional Authority does not take a position in conflict with Members' or Contracting Entities' interests on local issues that are not External Policy Issues, the written consent of all Members and Contracting Entities (i.e., the unanimous consent of those entities, not just those present at a Board of Directors meeting, or a quorum of the Members and Contracting Entities) shall be required before the Regional Authority adopts formal positions on such local issues. For purposes of this Article 7.b, the term "local issues" includes, but is not limited to, local land use decisions, local ordinances, projects in this region of individual Members or Contracting Entities and disputes or agreements among Members and/or Contracting Entities concerning the region. The Regional Authority also will not take a position on any judicial or regulatory matter involving a Member or Contracting Entity that otherwise would be an External Policy Issues without the consent of that Member or Contracting Entity. Notwithstanding any other portion of this Article 7.b, the Regional Authority may express support for a project of a Member or Contracting Entity to other entities where the project promotes the mission of the Regional Authority and where the support position is consistent with adopted Board policy or policies.

BOARD OF DIRECTORS

8. **Membership on the Board of Directors.** The Board of Directors shall consist of the following representatives:
 - a. Each Member shall appoint two representatives, who shall be either a representative from the governing board, executive staff representatives or a combination thereof, either of whom may cast a single vote on behalf of their Member. The Authority prefers that one representative be from the Member's governing body, and that one representative be from the Member's executive staff.
 - b. Each Contracting Entity shall appoint two representatives, who shall be either a representative from the governing board of the Contracting Entity, executive staff representative, or a combination thereof, either of whom may cast a single vote on behalf of the Contracting Entity.
9. **Notification of Appointment to the Board of Directors.** A Member and a Contracting Entity shall notify the Regional Authority in writing from time to time of its designated representatives to the Board of Directors, including alternates who may act in the absence of a representative.
10. **Committees.**
 - a. **Executive Committee.** The Board shall create from its membership an Executive Committee consisting of not more than nine representatives from the Board of Directors. The representatives to the Executive Committee shall serve at the pleasure of the Board of Directors. The Executive Committee shall have the decision-making authority delegated to it by the Board, and shall coordinate and monitor the activities of Regional Authority staff and consultants, review and approve routine business decisions, and serve as a sounding board for ideas and issues on behalf of the Board of Directors. Executive Committee meetings will be open to the public (except for authorized closed sessions), noticed and conducted in accordance with applicable law.
 - b. **Ad hoc and Standing Committees.** From time to time, specific issues may arise that may require, in the view of the Chairman of the Board, specialized or detailed efforts outside the routine activities of the Board of Directors meetings or Executive Committee meetings. At such times, the Board Chairman may establish an ad hoc or standing committee to address those issues, appoint representatives to that committee and provide that committee with a specific mission or charter. Such committees shall meet as necessary at locations and times determined by their membership.

11. **Principal Office**. The Board of Directors shall establish the principal office of the Regional Authority. The Board is hereby granted full power and authority to change its principal office from one location to another within the boundaries of the Regional Authority. Any change shall be noted by the Secretary, but shall not be considered an amendment to this Agreement.
12. **Meetings**. The Board shall generally meet at the Regional Authority's principal office or at such other place as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by resolution adopted by the Board. A copy of such resolution shall be furnished to each Member and Contracting Entity. All meetings shall be called and held in the manner as provided in Chapter 9, Division 2, Title 5 of the Government Code of the State of California (the "Brown Act," commencing at Section 54950).
13. **Quorum/Board Action**. A majority of all of the Board shall (a) constitute a quorum for the purposes of transacting the Regional Authority's business; and (b) be required for an affirmative vote for the Board to take action, except where different voting requirements are provided for in this Agreement.
14. **Powers and Limitations**. All the power and authority of the Regional Authority will be exercised by the Board, subject however, to the rights reserved by the Members as herein set forth, provided, that the Board may delegate its powers and authority to the Executive Committee or the Executive Director.
15. **New Members**. The Board shall have authority, upon the approval of two-thirds of the membership of the Board (not just two-thirds of the representatives present at a meeting of the Board), to: (a) approve new Members to the Regional Authority; (b) remove a Member, in which case the Board may amend Exhibit A to this Agreement for those purposes; and (c) approve agreements with Contracting Entities. The Board of Directors may provide that a new Member shall be liable only for obligations of the Regional Authority that existed from or after the effective date of the action approving the new Member.
16. **Minutes**. The Secretary of the Regional Authority shall cause to be kept minutes of all meetings of the Board and the Executive Committee. A copy of the approved minutes shall be forwarded to each Member and Contracting Entity.
17. **Rules of Procedure**. The Board will adopt Rules of Procedure within twelve months of the formation of the Regional Authority. The rules of procedure shall supplement but not be in conflict with this Agreement, and may contain policies and procedures for the efficient operation of the Regional Authority. In the event of conflict between this Agreement and other rules or procedures, the provisions of this Agreement shall govern.
18. **Officers**. A Board Chairman, and Vice-Chairman shall be elected from the membership of the Board, and shall hold office for a period of one year commencing on or about January 1 of each year, provided however, that the first

Chairman and Vice-Chairman shall hold office from the date of their appointment to December 31 of the ensuing year, or until their successors take office, whichever is later.

The Board shall appoint a Secretary upon recommendation of the Executive Director. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and the Executive Committee, and all other official records of the Regional Authority.

The Board shall appoint a Treasurer of the Regional Authority, upon recommendation of the Executive Director, from among the officers or employees of the Regional Authority, who shall be the depository of funds and shall have custody of all money of the Regional Authority, from whatever source. The Treasurer shall perform the duties specified in Government Code Section 6505.5, shall draw all warrants and pay demands against the Regional Authority approved by the Board.

The Board may appoint legal counsel to the authority. The Regional Authority's legal counsel shall work cooperatively, and at the direction of the Executive Director. However, legal counsel shall ultimately report to the Board of Directors and the Executive Committee.

In addition, the Board shall have the power to appoint such additional officers, as it deems necessary.

The public officer or officers or employees of the Regional Authority who have charge of any funds or securities of the Regional Authority shall be bonded and the Board shall designate the amount of their bond. All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits that apply to the activity of officers, agents or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents or employees appointed by the Board shall be deemed by reason of their employment by the Board to be employed by any of the Members or by reason of their employment by the Board to be subject to any of the requirements of such Members.

EXECUTIVE DIRECTOR

19. **Executive Director**. The Executive Director of the Regional Authority shall be the chief administrative officer of the Regional Authority, shall serve at the pleasure of the Board of Directors, and shall be responsible to the Board for the proper and efficient administration of the Regional Authority pursuant to the provisions of this Agreement, or of any resolution or order of the Board. In addition to other powers and duties herein provided, the Executive Director shall have the power:

- a. Under policy direction of the Executive Committee, to plan, organize and direct all Regional Authority activities;
- b. To appoint and to remove all Regional Authority employees, all of whom shall serve at the pleasure of the Executive Director, except as is otherwise provided by law or by this Agreement;
- c. To authorize expenditures within the designations and limitations of the approved Budget; and
- d. To make recommendations to and requests of the Board of Directors, or Executive Committee, concerning all of the matters and things that are to be performed, done or carried out by the Regional Authority.

PLANNING AND PROGRAMS

20. **Planning Activities.** In keeping with the purpose of this Agreement, the Members hereby authorize and direct the Regional Authority to undertake and/or participate in such studies and planning as necessary to provide for the purposes set forth in the recitals hereto.

PROJECTS

21. **Projects.** The Regional Authority's projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition, or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.
22. **Project or Program Agreement.** Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.

BUDGETS AND PAYMENTS

23. **Budget.** Each fiscal year, the Board shall adopt a Budget for the Regional Authority for the ensuing fiscal year.

24. **Contributions and Expenses:**

- a. Members and Contracting Entities (consistent with the terms of their agreements with the Regional Authority) shall share in the general operating and administrative cost of operating the Regional Authority, as outlined in the annual budget documents. The Board of Directors may approve, from time to time, an advance or contribution to proposed projects or program specific activities (start-up costs). The reimbursement of these start-up costs or contributions from subscribing Members and/or Contracting Entities will be required once the contemplated project or program is implemented as contained in the Project or Program Agreement, unless the Board of Directors determines otherwise by unanimous vote.
- b. Project or program-specific expenses, performed at the request of, or on behalf of Members and/or Contracting Entities shall have dedicated funding sources as described and contained in the Project or Program Agreement.
- c. The Board may arrange for the payment of the expenses of the Regional Authority through some other source, including but not limited to State or federal grants or loans.
- d. In accordance with Government Code Section 6512.1, repayment or return to the Members and/or Contracting Entities of all or part of any contributions made by the Members and/or Contracting Entities may be directed by the Board at such time, and upon such terms as may be consistent with any indebtedness incurred by the Regional Authority. The Regional Authority shall hold title to all funds and property acquired by it during the term of this Agreement.

FINANCING

25. **Capital Indebtedness.** The Regional Authority shall not issue, execute or otherwise participate in debt instruments for the purpose of acquiring, developing, licensing, permitting, treating, diverting, pumping or delivering water supplies.
26. **Other Indebtedness.** Subject to the provisions of Article 25, the Regional Authority shall have the power and authority to issue bonds, notes and other indebtedness, and to execute leases, installment sale contracts or installment purchase contracts for the purposes and in accordance with procedures and requirements as permitted by law.

ACCOUNTING AND AUDITS

27. **Accounting Procedures.** Full books and accounts shall be maintained for the Regional Authority in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the Regional Authority's Treasurer shall comply strictly with requirements of the JPA Act.
28. **Audit.** A qualified firm, serving in the capacity of auditor, shall audit the records and the accounts of the Regional Authority annually in accordance with the provisions of section 6505 of the JPA Act. Copies of such audit reports shall be filed with the State Controller, each Member and each Contracting Entity within six months of the end of the fiscal year under examination.

PROPERTY RIGHTS

29. **Property.** All property owned or acquired by the Regional Authority shall be held in the name of the Regional Authority for the benefit of the Members and/or Contracting Entities of the Regional Authority in accordance with the terms of this Agreement, unless a Project or Program Agreement provides otherwise.
30. **Liabilities.** The debts, liabilities and obligations of the Regional Authority shall be the debts, liabilities or obligations of the Regional Authority alone and not of the Members to this Agreement, except as may otherwise be expressly set forth in a Project or Program Agreement.

LIABILITY OF BOARD

31. **Indemnification of Board.** Except as otherwise provided in this Agreement, the funds of the Regional Authority shall be used to defend, indemnify and hold harmless the Regional Authority and Directors for their actions taken within the scope of the authority of the Regional Authority. Nothing herein shall limit the right of the Regional Authority to purchase insurance to provide such coverage, as is herein above set forth.

RESCISSION, TERMINATION, WITHDRAWAL, ASSIGNMENT

32. **Term.** The Regional Authority shall continue until this Agreement is terminated as herein provided.
33. **Rescission or Termination.** This Agreement and the Regional Authority may be terminated by two-thirds written consent of the Members except during the outstanding term of any Regional Authority indebtedness. Nothing in this Agreement shall prevent the Members from withdrawing as provided in this Agreement, or from entering into other joint exercise of power agreements.
34. **Disposition of Property Upon Termination.** Upon termination of this Agreement, any surplus funds on hand shall be returned to the then Members and Contracting Entities (consistent with the terms of their agreements with the Regional Authority)

in proportion to the contributions made. The Regional Authority shall first offer any property, rights or interests of the Regional Authority for sale to the Members and Contracting Entities for good and adequate consideration. If no such sale is consummated, the Regional Authority shall offer such property, rights and interests for sale to any governmental agency, or other entity for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members and Contracting Entities (consistent with the terms of their agreements with the Regional Authority) in proportion to the contributions made. If no such sale is consummated, then the property, rights and interests of the Regional Authority shall be allocated to the Members and Contracting Entities in the same manner as the allocation of the net proceeds from a sale, unless otherwise agreed to by the Members and Contracting Entities.

35. Withdrawal.

- a. A Member may unilaterally withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days' written notice to the Regional Authority, provided that the withdrawing Member shall remain responsible for any indebtedness incurred by the Member under any Project or Program Agreement to which the Member is a party, and further provided that the withdrawing Member pays or agrees to pay its share of debts, liabilities and obligations of the Regional Authority incurred by the Member under this Agreement prior to the effective date of such withdrawal. A Contracting Entity may withdraw under the terms and conditions of its agreement with the Regional Authority.
- b. In the event the withdrawing Member has any rights in any property or has incurred obligations to the Regional Authority, the Member cannot sell, lease or transfer such rights or be relieved of its obligations, except in accordance with a written agreement executed by it and the Regional Authority. The Regional Authority may not sell, lease, transfer or use any rights of a Member who has withdrawn without first obtaining the written consent of the withdrawing Member.
- c. No refund or repayment of the initial commitment of funds (as determined by the Board of Directors) shall be made to a Member ceasing to be a Member to this Agreement whether pursuant to this Section or any other Section of this Agreement. The refund or repayment of any other contribution shall be made in accordance with the terms and conditions upon which the contribution was made, or other agreement of the Regional Authority and withdrawing Member.
- d. A Member may be involuntarily removed as a Member by two-thirds vote of the Board of Directors in the manner provided for in Article 15.

- 36. Amendments.** This Agreement may be amended from time to time by unanimous vote of the Members, except that Exhibit A may be amended to add a new member by vote of the Board of Directors in accordance with the provisions of Article 15.

37. **Assignment: Binding on Successors.** Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Regional Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto. The agreement between a Contracting Entity and the Regional Authority shall set forth provisions concerning assignment of the rights under that agreement.
38. **Notice.** Any notice or instrument required to be given or delivered under this Agreement may be made by: (a) depositing the same in any United States Post Office, postage prepaid, and shall be deemed to have been received at the expiration of 72 hours after its deposit in the United States Post Office; (b) transmission by facsimile copy to the addressee; (c) transmission by electronic mail; or (d) personal delivery.
39. **Counterparts.** This Agreement may be executed by the Members in separate counterparts, each of which when so executed and delivered shall be an original. All such counterparts shall together constitute but one and the same instrument.
40. **Choice of Law.** This Agreement shall be governed by the laws of the State of California.
41. **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement is held to be unlawful, invalid or unenforceable, it is hereby agreed by the Members that the remainder of the Agreement shall not be affected thereby.

The foregoing is hereby agreed to by the Members.



Bartkiewicz, Kronick & Shanahan
A Professional Corporation

MEMORANDUM

TO: JOHN WOODLING, EXECUTIVE DIRECTOR

FROM: RYAN S. BEZERRA AND KATRINA C. GONZALES

DATE: FEBRUARY 28, 2013

RE: VOTING REQUIREMENTS FOR AMENDING THE JOINT POWERS AGREEMENT

SUMMARY

This memorandum describes the requirements for amending the July 1, 2001 joint exercise of powers agreement ("Agreement") that created the Regional Water Authority ("RWA"). Article 36 of the Agreement provides that it may be amended by a "unanimous vote" of RWA's "Members," which the Agreement defines as the parties to the Agreement. The Agreement does not specifically state, however, how this vote should be taken or when an amendment to the Agreement becomes effective.

Reading all of the Agreement's terms together, and with the Joint Exercise of Powers Act (Gov. Code §§ 6500-6536 ("Act")), indicates that the Agreement may be amended only upon the approval of the governing bodies of RWA's Members and would take effect upon the approval of the last Member.

DISCUSSION

- 1. The Governing Bodies Of All Members Of RWA, As Members Are Defined In The Agreement, Must Approve An Amendment To The Agreement**

Article 36 of the Agreement provides in full:

Amendments. This Agreement may be amended from time to time by unanimous vote of the Members, except that Exhibit A may be amended to add a new member by vote of the Board of Directors in accordance with the provisions of Article 15."

(Emphasis added.)

The Agreement defines "Member" to mean "each entity that is or becomes a party to the Agreement." (Art. 3(i) at p. 3.) Under the Act, only public agencies and mutual water companies can be parties to RWA's Agreement. (Gov. Code §§ 6500, 6502, 6525.) The public

agencies and mutual water companies that are parties to the Agreement therefore are the "Members" whose approval is necessary to amend the Agreement under its article 36.

Under both the Act and the Agreement, approval by the governing body of each of RWA's Members is necessary for an amendment to be approved. The Agreement's article 36 distinguishes between a "vote of the Members" and a "vote of the Board of Directors." The distinction is important in light of RWA's structure and the Act's terms. RWA includes "Contracting Entities," which provide retail water service, enter into a written agreement with RWA and have a seat on RWA's Board of Directors ("RWA Board"). (Arts. 3, 8 at pp. 3, 5-6.) Such Contracting Entities therefore can vote as part of RWA's Board of Directors, but cannot be "Members" of RWA. The Agreement's article 36 preserves this distinction by treating separately the approval of amendments to the Agreement – to be approved by Members – and the approval of new Members – to be approved by the Board of Directors. Accordingly, the Agreement can only be amended with the approval of the Members, rather than the individuals who serve on RWA's Board of Directors.

The Agreement's preservation of the distinction is consistent with the Act's terms concerning amendments to JPA agreements. Specifically, the Act requires that, when such an agreement creating a separate entity is amended, that entity must report to the Secretary of State, among other things, "[t]he name of each public agency that is a party to the agreement." (Gov. Code § 6503.5, subd. (a).)¹ The Act further states that, for public agencies to jointly exercise their powers, they must be "authorized by their legislative or other governing bodies" (Gov. Code § 6502.) Under this authority, because an amendment to the Agreement would change the way that RWA's Members would jointly exercise their powers, the Members' governing bodies would need to approve an amendment to the Agreement. If the initial approval by a Member's governing body of that Member's joining of RWA delegated authority to approve amendments to the Agreement to the Member's staff, then the governing body already would have approved the amendment, assuming that the delegation complies with the rules that generally apply to that Member.

2. An Amendment To The Agreement Would Take Effect When The Last RWA Member Approves That Amendment

Neither the Agreement nor the Act explicitly declares what the effective date for an amendment to the Agreement is. The terms of both the Agreement and the Act, however, imply that the effective date of such an amendment is the date on which the last Member of RWA approves the amendment. As discussed above, the Agreement's article 36 requires a "unanimous vote of the Members" to amend the Agreement. Such a unanimous vote necessarily cannot occur until the last of RWA's Members approves the amendment, so an amendment's effective date must be the date that the last RWA Member approves it. This conclusion is consistent with the basic requirement of the Act that agencies may jointly exercise powers "[i]f authorized by their

¹ The section of the Act that allows mutual water companies to join JPAs states that it applies "[n]otwithstanding any other provision of this chapter" (Gov. Code § 6525), so Government Code section 6503.5's reference to only public agencies in relation to JPA amendments does not prohibit mutual water companies from participating.

legislative or other governing bodies." (Gov. Code § 6502.) As noted above, an amendment to the Agreement would change the way that RWA's Members jointly exercise powers. Under Government Code section 6502, each of the Member's governing bodies therefore must approve such an amendment in order to approve the revised manner in which its powers would be jointly exercised through RWA.

ATTACHMENT 3
RESOLUTION IN SUPPORT OF AMENDMENTS TO THE
JOINT POWERS AGREEMENT
GOVERNING THE
REGIONAL WATER AUTHORITY (RWA)

Whereas the Regional Water Authority (RWA) was created in 2001 pursuant to the Joint Exercise of Powers Act (Gov. Code §§ 6500-6536) to assist members in protecting and enhancing the reliability, availability, affordability, and quality of water resources, and

Whereas _____ has been a member of the RWA since _____, and

Whereas participation in RWA has benefitted _____ and its water customers, and

Whereas the members, contracting entities, and associate members of RWA have shown great capacity to collaborate in furthering the interests of the region and their individual organizations, and

Whereas challenges and opportunities facing RWA and its members increasingly arise from external sources, including state and federal legislation and regulatory processes, and

Whereas modifications to the Joint Powers Agreement will make RWA more effective in advocating on behalf of its members and the region.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of _____, having reviewed the item:

1. Approves the amendments to the Regional Water Authority Joint Powers Agreement as presented, and
2. Authorizes the Board Chairman to sign said agreement and submit to the Regional Water Authority.

I hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by _____, _____ County, California at a meeting thereof held Month Day, 2013 by the following vote of the members thereof:

CONFERENCE/EDUCATION SCHEDULE

Date: May 10, 2013
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)

Board's Role in Finance & Fiscal Accountability	June 6, 2013	Sacramento
CSDA Annual Conference	September 16 – 19, 2013	Monterey

GOLDEN STATE RISK MANAGEMENT ASSOCIATION (GSRMA)

GSRMA Annual Training Day	October 24, 2013	Rolling Hills Resort Corning, CA
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SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE (SDI)

No Information Currently Available on Upcoming Conferences.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

No Information Currently Available on Upcoming Conferences.

WATEREUSE ASSOCIATION

No Information Currently Available on Upcoming Conferences.

AMERICAN WATER WORKS ASSOCIATION (AWWA)

No Information Currently Available on Upcoming Conferences.

ISC WEST

No Information Currently Available on Upcoming Conferences.

CALIFORNIA RURAL WATER ASSOCIATION

No Information Currently Available on Upcoming Conferences.